AGRICULTURAL OUTLOOK

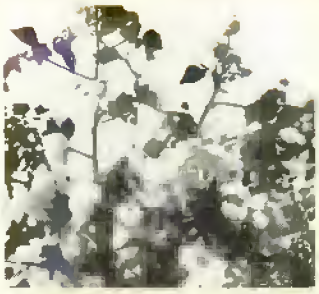
Economic Research Service
United States Department of Agriculture • April 1994

NEAR-RECORD RICE ACREAGE AHEAD

New Approaches To Farm Policy

April 1994/AO-206

AGRICULTURAL OUTLOOK



Cover photo:
Water leveling method, Mississippi rice field: Grant Heilman Photography.

Departments

2 Agricultural Economy
Looking Ahead
Commodity Overviews
News Watch

13 Commodity Spotlight
U.S. Rice Plantings: Great Expectations — *Janet Livezey & Bryan Just*
Rise in U.S. Cotton Prices & Exports — *Leslie Meyer*

17 World Agriculture & Trade
High-Value Exports Set Pace in 1994 — *Joel Greene*

20 Rural Development
Health Care Reform: Provisions for Self-Employed — *Mike Compson*

Special Article

24 Streamlining Farm Policy: The Revenue Guarantee Approach — *Joy Harwood*

Statistical Indicators

30 Summary
31 U.S. & Foreign Economic Data
32 Farm Prices
33 Producer & Consumer Prices
35 Farm-Retail Price Spreads
36 Livestock & Products
40 Crops & Products
44 World Agriculture
45 U.S. Agricultural Trade
48 Farm Income
53 Food Expenditures
53 Transportation
54 Indicators of Farm Productivity
55 Food Supply & Use

Economics Editor—Cathy Greene (202) 219-0313
E-mail: CGreene@ ERS.Bitnet

Associate Editor—Nathan Childs (202) 219-0313

Managing Editor—Mary Reardon (202) 219-0494

Overview Coordinators—Grace Chomo, Carol Whitton, Field Crops; Agnes Perez, Shayle Shagam, Livestock; Glenn Zepp, Specialty Crops

Statistical Coordinator—Ann Duncan (202) 219-0313

Design & Layout Coordinator—Victor Phillips, Jr.

Editorial Staff—Trina J. Myers

Tabular Composition—Joyce Bailey, Cilola Peterson

The contents of this magazine have been approved by the World Agricultural Outlook Board and the summary released March 18, 1994. Price and quantity forecasts for crops are based on the March 10 World Agricultural Supply and Demand Estimates.

Annual subscription: $42 ($52.50 for foreign addresses, including Canada). Order from ERS-NASS, 341 Victory Drive, Herndon, VA 22070. Or call toll free, 1-800-999-6779 (U.S. and Canada only). All other areas, please call (703) 834-0125. Make check payable to ERS-NASS.

Time to renew? Your subscription to *Agricultural Outlook* expires in the month and year shown on the top line of your address label. Renew by calling 1-800-999-6779.

The next issue of *Agricultural Outlook* (AO-207) is scheduled for mailing on May 5, 1994. If you do not receive AO-207 by May 25, call the managing editor at (202) 219-0494 (be sure to have your mailing label handy). The full text of AO-207 will also be distributed electronically; additional information on this is available at (202) 720-5505.

"High-Value" Trading . . . Rice Market Turnaround . . . Health Care Specifics . . . & New Ideas on Crop Programs

Streamlining Farm Programs

Disenchantment with government farm programs, along with budgetary pressures, is generating interest in alternative approaches. While farm commodity programs have been leaning toward increased market orientation and reduced Federal expenditures since the mid-1980's, most changes have been modifications of current programs.

The idea of a revenue guarantee approach—guaranteeing a farmer's return for a given crop—has been gaining increased attention and will likely be a significant issue in the 1995 farm bill debate. Most revenue guarantee designs involve a "revenue target"—either a fixed revenue or a moving average of past revenues. Under most designs, farmers would be guaranteed that per-acre revenue would not fall below some fraction of a revenue target.

The revenue guarantee approach would streamline the current array of farm commodity programs into one, and could stabilize farmers' income more effectively than current programs. And, depending on the revenue target level, it could also reduce Federal outlays for farm programs.

High-Value Trade Performance

Strong U.S. exports of packaged and processed "high-value" commodities—such as fresh fruits and vegetables, meats, confectionery products, and livestock feeds—are expected to sustain agricultural trade performance in fiscal 1994. High-value exports are expected to rise 3 percent from 1993 to $25 billion, offsetting falling bulk exports and stabilizing total value at $42.5 billion. Trade agreements with Canada and Mexico, and their improving economic conditions, are boosting U.S. exports of high-value products to these countries.

Bulk exports are expected to fall 4 percent to $17.4 billion in 1994 because of smaller foreign import demand, increased competition, and tight U.S. supplies. Although cotton and rice

exports are expected to soar—because of Japan's entry into the world rice market and weak foreign cotton production—coarse grain, soybean, and wheat exports are expected to fall. Implementation of the Uruguay Round is expected to boost bulk as well as high-value exports as trade barriers recede.

Rice Market Revival

The turnaround in the rice market late last year is likely to push U.S. rice acreage to a near-record level in 1994. Japan's crop shortfall last year and its large anticipated rice imports set off a dramatic rise in the producer price of rice last fall. U.S. and world prices have stabilized, but at a much higher level than during the last 5 years.

Rice planting decisions in 1994 are expected to depend less on government programs and more on market prices than in recent years. No acreage is required to be idled for participation in USDA's 1994/95 rice program, compared with 5 percent last year. The number of rice acres voluntarily idled under other programs is expected to fall as well. In 1994, 80-90 percent of the enrolled rice base area—3.2 to 3.6 million acres—is expected to be planted to rice, up from 60-80 percent in recent years.

While the U.S. produces only about 1-2 percent of the world rice crop, it is the second-largest exporter, accounting for 16-17 percent of trade in recent years. The U.S. is also a major exporter of the high-quality japonica-type rice preferred by Japanese and South Korean consumers.

U.S. Cotton Export Boom

Production shortfalls in key cotton producing countries have recently led to a runup in U.S. and world cotton prices. Prices began increasing substantially in mid-December last year, when estimates of cotton output in several major producing countries were significantly lowered from earlier forecasts. A second consecutive year of depressed production in China and Pakistan accounts for much of the decline in 1993/94 world cotton production.

U.S. cotton production in 1993/94 was 16.2 million bales, just short of last season's relatively large crop. The U.S. is the largest exporter of cotton, and is forecast to account for a quarter of world trade in 1993/94. U.S. exports are forecast to rise 25 percent from last year.

Health Care Deductions

Under the Administration's plan to reform the nation's health care system, qualified self-employed Americans, including farm sole proprietors, would be able to deduct the full cost of health insurance premiums they pay for themselves and their families. This provision would expand the deduction from the 25-percent limit under current law, and could increase the number of farm sole proprietors claiming the deduction. The proposal also would require all employers—including farm sole proprietors and other self-employed individuals who hire workers—to contribute to their employees' health insurance premiums.

Looking Ahead

Today, the word "agriculture" means more than just farming. Agriculture includes the activities of the "food and fiber system," and that involves input markets, production, processing, and distribution here and abroad. In fact, even the term "food and fiber system" is limiting, as agriculture now contributes to expanding nonfood industrial markets, such as ethanol. The entire system generates over $950 billion per year in economic activity, or about 16 percent of Gross Domestic Product (GDP).

Agriculture is also no longer synonymous with rural America. Only about 25 percent of U.S. rural counties depend on farm incomes for more than 20 percent of their total earnings, and off-farm earnings are the major income source even in many farm households. Average farm household income is expected to rise slightly in 1994 as both the national and farm economy improve, and the contribution from farm-based income is likely to remain near 12 percent. In general, only the largest farms rely primarily on farm income. The farm provides roughly 70 percent of farm household income in operations where farm sales exceed $250,000.

Ag Outlook Hinges On Spring Weather . . .

This year's outlook for agriculture is in large measure an effect of the events of 1993. The defining event for U.S. agriculture last year was the Midwest flooding, which reduced production and stocks, elevated farm prices, curtailed farm exports, and triggered disaster assistance.

The flood-induced low supplies and strong prices for major commodities have set the stage for 1994. Spring plantings and weather conditions will be the key factors in the outcome for farm markets. Nearly saturated soils, heavy snow cover over the upper Mississippi and portions of the Missouri River basins, and damaged levees suggest a high potential for spring flooding in parts of the Corn Belt and Great Plains. The effect of residual flood damage on spring plantings is as yet unknown.

USDA conducted its annual acreage intentions survey in early March. The survey results, reported after *Agricultural Outlook* went to press, will provide a good indication of how much rebound in production to expect in 1994.

Macroeconomic conditions, export prospects, and farm programs will also play an important role in the forecast for agriculture in 1994.

Macroeconomic influences for 1994 are generally promising. Strong economic growth is expected this year—real GDP growth is forecast at 3-3.5 percent—and will strengthen food demand. Low interest rates, low inflation rates, and low energy prices will restrain production expenses and reinforce investment and economic expansion.

U.S. ag export prospects are limited for some commodities. Tight U.S. supplies and slow growth in key foreign markets will limit farm product exports. For 1993/94, U.S. agricultural exports are expected to be $42.5 billion—virtually unchanged from 1992/93. Export volumes of wheat, coarse grains, and oilseeds will be lower, but higher prices will help sustain export value. Horticultural products, cotton, and rice are expected to show both volume and value increases.

A surplus in the agricultural trade balance is expected—$18 billion, the same as last year. Generally improving economic growth around the world will support U.S. economic expansion and farm export prospects. In fact, the risk to the macroeconomic forecast above is that the foreign developed economies do not improve, which would exacerbate the overall U.S. trade deficit.

However, Western Europe, particularly Germany, France, and Italy, appear to be moving out of recession. In Japan, growth is less promising, but prospects appear more favorable in other Pacific Rim markets. Eastern Europe appears poised finally to experience positive economic growth, while in the nations of the former Soviet Union (FSU), problems of excessive inflation, negative economic growth, and debt continue.

Increases in regional trade are expected because of the North American Free Trade Agreement (NAFTA), although the rate of increase will be moderate. Immediate trade expansion is expected in beef, cattle, corn, and some fruits, such as pears. With implementation of the Uruguay Round agreement, more open global trade would lead to additional benefits for agriculture and other sectors.

Farm programs: Most ARP levels are set at zero. Acreage planted to principal crops is expected to increase in 1994 as acreage reduction program (ARP) levels are set at zero for all program crops except cotton. Other than the 36 million acres in the Conservation Reserve Program, the acreage expected to be set aside or reduced under farm programs in 1994 amounts to fewer than 15 million.

Some Midwest producers with severely flood-damaged fields will likely use the 0/92 provisions—diverting acreage to a conserving use and receiving deficiency payments—because producing a crop will not be possible. CCC outlays on price and income support programs in fiscal 1994 are projected at $12.1 billion, nearly 25 percent below fiscal 1993. The decrease primarily reflects higher feed grain prices, which will result in a near

$5-billion decrease in outlays for the feed grain program, and reduced outlays for export programs. Projected outlays include disaster assistance of over $2.6 billion.

. . . While Rural Areas Look to General Economy

Agriculture and rural America will benefit from low energy prices and low inflation—with the Consumer Price Index (CPI) below 3 percent—for 1994. The U.S. unemployment rate is expected to trend downward from an average of 6.8 percent in 1993.

For nonmetro places, the unemployment rate was 6.5 percent last year, compared with 6.9 percent in metro places, although that reversal in relative performance may reflect recovery of metro areas from the recession rather than fundamental improvement in rural employment opportunities. While the unemployment rate has improved in rural areas, labor force participation remains at 63.4 percent, 3.5 percentage points lower than in urban places.

There has been no progress since 1980 in lowering the poverty rate in rural America—home to 69 million people. Rural poverty stands at 16.8 percent, compared with 13.9 percent in urban places. Moreover, working poor are more likely to be in rural areas. The continuing prevalence of low-skilled, low-paying jobs is highlighted by average earnings of $19,600 per job in nonfarm industries in rural areas, 73 percent of the level in urban places.

While prospects for farm income are favorable in 1994, significant numbers of farms, particularly smaller enterprises, face financial stress. Expected improvements in the general economy, as well as development programs like rural empowerment zones and rural enterprise communities, will offer some promise for persistently low-income rural areas.

1994: A Pivotal Year?

The 1993/94 season represents a reversal in the supply-demand balance for major crops as stocks-to-use ratios tighten. Because of the 1993 production declines, carryover stocks this season are expected to be near those of the mid-1970's. The U.S. share of world stocks will be unusually low, and prices higher—particularly for feed grains, soybeans, and rice. Meat production has been record high, supporting record per capita consumption and substantial exports, particularly of poultry. For tobacco, sugar, and horticultural crops the story is mixed, but generally, production value is up and exports are growing.

Agricultural exports are forecast to be flat in fiscal 1994 but at a relatively high level, and the agricultural trade surplus will hold its own. The expansion in agricultural exports should resume as key-market developed countries emerge from recession and U.S. goods become more affordable. NAFTA is providing immediate gains for some commodities and long-term opportunities in Mexico for U.S. producers.

In many respects, 1994 will be a pivotal year. Despite low stocks, high prices, and 0-percent ARP's for the most crops since 1982, the combined harvested acreage of feed grains and wheat in 1994 is expected to be 30 million below the 1981 peak, constrained by the CRP and the 0/92 (now 0/85) program.

The last 15 years have witnessed a recurring drama of tight supplies, surplus, and—as predicted for 1994—tightness again. The underlying long-term capacity of the U.S. to supply sufficient food at reasonable prices is clear. The question is: Will it re-emerge in 1994? The current outlook indicates the affirmative, but it is strongly premised on a return to normal U.S. yields and a continued decline in FSU import demand for grain.

In 1994/95, FSU grain imports may be 10-15 million tons, compared with a peak of over 50 million in 1984/85. A combination of low U.S. yields and unexpected demand abroad could set in motion a disruptive adjustment in crop and livestock markets that could take several years to play out.
[Keith Collins, Acting Assistant Secretary for Economics, USDA] AO

Field Crops Overview

Grower prices for most U.S. field crops are higher and production and ending inventories lower than last year. The floods and drought of 1993 reduced U.S. feed grain and soybean output, cut ending stocks, and raised grower prices. Exports of U.S. feed grains, wheat, and soybeans are all smaller than last year.

U.S. rice prices are up substantially from last year and exports higher due to Japan's smallest harvest in over 40 years. Smaller cotton production in China, India, and Pakistan has allowed U.S. cotton exports and market share to rise from a year earlier. U.S. cotton production, domestic use, and price are about the same as last year.

Prospects for global imports of wheat, corn, and soybeans remain weak in 1993/94, as use by major importers drops from last year. Improved crop prospects in the Southern Hemisphere are increasing export competition in corn and soybean markets. Japan's imports are keeping expectations for rice imports high. Cotton trade is also forecast up from last year.

USDA's first forecasts for the 1994/95 season will be released in May 1994.

Domestic Projections

U.S. corn production was 6.34 billion bushels in 1993/94, down 33 percent from last year due to a 23-percent cut in average yield and a 13-percent drop in harvested area. Total domestic corn use is forecast to drop 6 percent, and U.S. exports are projected down over 23 percent. Ending stocks are forecast to be down 62 percent, giving a stocks-to-use ratio of 10.4 percent, the lowest since 1974/75. Farm prices are forecast to be $2.55-$2.65 per bushel, up from $2.07 last year.

U.S. sorghum, barley, and oats crops are also substantially smaller than last year. Season-average prices are forecast higher for sorghum and oats, while barley prices are projected to remain about the same. U.S. exports of sorghum and barley are down from last year, and imports of oats and barley are up.

U.S. soybean production was 1.8 billion bushels in 1993/94, down 17 percent from last year. Adverse weather during the summer reduced harvested acreage 3 percent and cut yields 15 percent. U.S. soybean exports are off 21 percent from last year, oil exports are down 17 percent, and meal exports are forecast to be down 21 percent.

Ending 1993/94 soybean stocks and stocks-to-use ratio are projected to be the smallest since 1976/77. Season-average grower price is forecast at $6.25-$6.75 per bushel, the highest since the drought-reduced crop of 1988/89.

Higher soybean oil prices this year have supported domestic crushing margins despite weak foreign demand for U.S. meal and oil that has limited any increase in meal prices. A low oil content in 1993/94's soybean crop has resulted in abundant, low-priced meal supplies because greater crushing is required to satisfy the growing domestic demand for oil. Domestic meal use is up slightly this year due to a larger poultry flock, a colder winter, and a lower protein corn crop than last year. Domestic oil use is down just slightly from last year's record.

Total wheat production in 1993/94 was 2.4 billion bushels, down 2.3 percent from a year ago due to a drop in yield of 1.1 bushel per acre. But with a larger beginning inventory and greater imports, total supply will be slightly higher than last year and season-average prices are expected to be the same or slightly lower than last year. While total domestic use is projected to rise 8.5 percent, exports are forecast to drop 9.5 percent, leaving ending inventory 11 percent higher than a year earlier.

Although in early March the Texas and Oklahoma Panhandles and southwest Kansas received much-needed moisture, crop conditions are not as good as a year ago, possibly reducing the 1994/95 winter wheat yield. Prices through first-quarter 1994 for Hard Red Spring and Durum were higher than for other classes of wheat, indicating a possible increase in spring wheat planting in the Northern Plains.

U.S. rice production for 1993/94 was 156.1 million cwt, down 13 percent from the 1992/93 estimate. However, total supply is down only 5 percent due to higher beginning stocks and imports. Exports are projected at 83 million cwt, up from 77 million last year, due mostly to shipments to Japan. Domestic use is

U.S. Field Crops–Market Outlook at a Glance

	Area								
	Planted	Harvested	Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	— Mil acres —		Bu/acre	— — — — — — Mil. bu — — — — — —					$/bu
Wheat									
1992/93	72.3	62.4	38.4	2,459	3,001	1,116	1,354	529	3.24
1993/94	72.2	62.8	38.3	2,402	3,026	1,213	1,225	588	3.10-3.25
Corn									
1992/93	79.3	72.2	131.4	9,482	10,589	6,813	1,663	2,113	2.07
1993/94	73.3	63.0	100.7	6,344	8,477	6,400	1,275	802	2.55-2.65
Sorghum									
1992/93	13.3	12.2	72.8	884	937	478	277	175	1.89
1993/94	10.5	9.5	59.9	568	743	483	175	85	2.40-2.50
Barley									
1992/93	7.8	7.3	62.5	458	598	366	80	151	2.05
1993/94	7.8	6.8	58.9	400	606	400	60	146	1.95-2.00
Oats									
1992/93	8.0	4.5	65.6	295	477	358	6	113	1.32
1993/94	7.9	3.8	54.4	206	414	305	5	104	1.35-1.40
Soybeans									
1992/93	59.1	58.2	37.6	2,188	2,468	1,406	770	292	5.56
1993/94	59.4	58.4	32.0	1,809	2,108	1,346	605	155	6.25-6.75
			Lb./acre	— — — Mil. cwt (rough equiv.) — — —					$/cwt
Rice									
1992/93	3.18	3.13	6,736	179.7	213.2	98.7	77.0	39.3	5.89
1993/94	2.92	2.83	5,510	156.1	202.3	98.6	83.0	20.7	8.00-9.00
			Lb./acre	— — — — — Mil. bales — — — — —					¢/lb
Cotton									
1992/93	13.2	11.1	699	16.2	19.9	10.3	5.2	4.7	54.90
1993/94	13.4	12.8	607	16.2	20.8	10.2	6.5	4.2	54.30*

Based on March 10, 1994 World Agricultural Supply and Demand Estimates. U.S. marketing years for exports.
*Weighted average price for August 1-December 1; not a season average.
See table 17 for complete definition of terms.

Higher Loan Rates in 1994

On February 25, 1994, Secretary of Agriculture Mike Espy announced higher national average price support, or loan, rates for 1994 wheat and feed grain crops. The 1994 price support levels for corn and the other feed grains (grain sorghum, barley, and oats) were all raised 10 percent from a year ago, and the price support level for wheat was raised 5 percent. The price support level for wheat is $2.58 per bushel; corn, grain sorghum, barley, and oats are $1.89, $1.80, $1.54, and $0.97. USDA currently projects that 1994 grain prices will be above the announced 1994 loan rates.

projected to be 98.6 million cwt, up nearly 2 percent from 1992/93.

Ending stocks are forecast to be 20.7 million cwt in 1993/94, down from 39.4 last year, resulting in a stocks-to-use ratio of 11.4 percent, the lowest since 1980/81. The 1993/94 projected farm price of $8-$9 per cwt is substantially higher than the $5.89 estimate for 1992/93.

Higher farm prices and greater U.S. exports, primarily the result of a poor 1993 rice harvest in Japan, have set the stage for a likely acreage expansion for rice in 1994/95. Combined with a zero acreage reduction program—plantings, likely between 3.2 million and 3.6 million acres—will be second only to 1981's record of 3.83 million.

U.S. cotton production was 16.2 million bales, about the same as last year's large crop, with a larger area canceling out a smaller yield. A second year of falling world cotton production has boosted 1993/94 U.S. cotton exports 25 percent from last year. Domestic use is projected to drop slightly. Ending stocks are forecast to drop 10 percent from last year, and the stocks-to-use ratio is projected down 5 percentage points to 25 percent. Although the season-average farm price is expected to be slightly lower than last year, U.S. and world cotton prices picked up after December when forecasts for foreign cotton production were lowered. *[Grace V. Chomo (202) 219-0840]*

Global Market Outlook

The outlook for Northern Hemisphere 1994/95 winter wheat (planted last fall) is mixed. Area planted to winter wheat decreased in the former Soviet Union (FSU). The FSU may offset some of the winter wheat decrease with increased plantings of spring grains, probably more barley than wheat. China's winter wheat plantings were about the same as last year. Canada, Australia, and Argentina plant their 1994/95 wheat crop during the Northern Hemisphere spring.

World wheat trade for 1993/94 is forecast down 10 percent from last year because of lower demand in the FSU, China, and South Asia. Exports from all major U.S. competitors, except Australia, are expected to decline. U.S. wheat exports are also forecast down 11 percent. Ending stocks of several major export competitors are projected to remain high, suggesting strong competition could continue next season.

Market competition strengthens for corn, with global corn trade forecast to be smaller this year. Near-perfect weather is leading to expectations of the second-largest South African corn crop ever. In contrast, the U.S. crop is smaller than last year. South African exports are forecast up from last year at the expense of U.S. corn exports. China's exports are still expected to reach a fourth consecu-

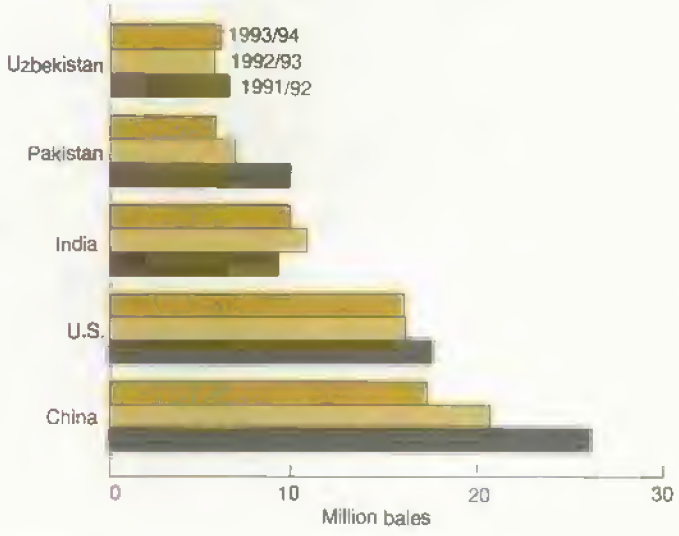
Wheat, Corn, and Soybean Trade Continue Weak

	Year [1]	Production	Exports [2]	Consumption [3]	Carryover
			Million tons		
Wheat	1992/93	560.9	110.2	544.4	146.2
	1993/94	562.2	99.7	560.5	147.8
Corn	1992/93	528.7	60.6	506.4	101.4
	1993/94	461.4	56.6	496.4	66.4
Barley	1992/93	165.4	14.9	161.5	35.9
	1993/94	166.0	17.1	167.5	34.5
Rice	1992/93	351.3	15.0	354.8	51.4
	1993/94	347.5	15.5	355.2	43.6
Oilseeds	1992/93	226.8	37.7	184.2	23.1
	1993/94	223.7	37.4	185.6	19.3
Soybeans	1992/93	116.7	29.5	96.2	20.4
	1993/94	113.6	28.8	98.3	16.5
Soybean meal	1992/93	76.2	27.6	75.1	3.7
	1993/94	78.0	29.0	77.2	3.8
Soybean oil	1992/93	17.2	4.3	17.3	1.9
	1993/94	17.7	4.3	18.0	1.5
			Million bales		
Cotton	1992/93	82.8	24.8	85.6	38.4
	1993/94	77.7	26.0	85.0	31.1

[1] Marketing years are: wheat, July-June; coarse grains, October-September; oilseeds, soybeans, meal, and oil, local marketing years except Brazil and Argentina adjusted to October-September trade; cotton, August-July. [2] Rice trade is for the second calendar year. All trade now has been inflated to include trade among the countries of the former Soviet Union. In addition, rice trade, like other grain trade, excludes intra-EC trade. Oilseed and cotton trade, however, still include intra-EC trade. [3] Crush only for soybeans and oilseeds.

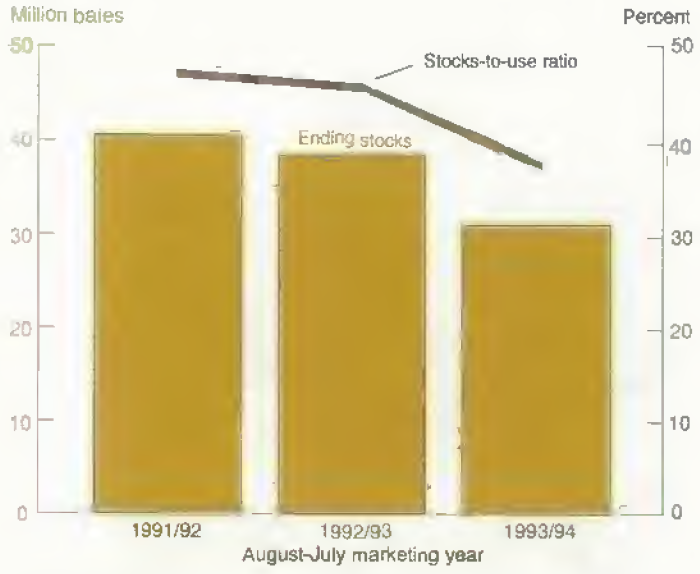
Agricultural Economy

As China, India, and Pakistan Harvest Smaller Cotton Crops in 1993/94 . . .



1993/94 forecast.
These top five producing countries typically account for three-fourths of world cotton production. August-July marketing year.

. . . World Ending Stocks Shrink



1993/94 forecast.

tive record, despite a recent moderation in expectations.

- World corn imports are expected to drop 7 percent from last season.
- Exports from South Africa are expected to rise to 3 million tons in the 1993/94 trade year (October-September).
- China's corn exports are projected to be a record 12 million tons.
- U.S. exports are projected at 32.5 million tons, off sharply from last year. The U.S. will account for 57 percent of this year's global corn market, its lowest share since 1985/86.

World soybean trade is forecast down this year, primarily because of lower EU demand; but global soybean meal trade is now projected up. Relatively low returns to soybean processors are causing the EU to import more meal than soybeans this season.

Export competition, particularly for soy products, has strengthened. Brazil's soybean outturn is expected to be more than 3 percent larger than its previous record and 4.5 percent above last year due to greater area and good weather in major growing states. Argentine production is also forecast up from last year. Because South American producers prefer to export soy products rather than soybeans, U.S. shipments, particularly of soybean meal, are expected to wane in the spring as larger South American supplies become available for export.

- Global soybean trade is expected to decline 2 percent from last year, while soybean meal trade rises 5 percent.
- Brazil's soybean output is projected at a record 24.4 million tons. Its exports of soybeans, soybean meal, and soybean oil rise to 5.2, 9.2, and 0.85 million tons, up 28, 15, and 25 percent from last year.
- U.S. exports of soybeans, soybean meal, and soybean oil are expected to drop 21, 21, and 17 percent.

The forecast for world rice trade in calendar year 1994 continues to point upward, reflecting Japan's imports in response to its crop shortfall. However, deliveries of rice to Japan are progressing more slowly than anticipated, shifting a small quantity of its expected imports from calendar 1993 into calendar 1994.

- Global rice exports are forecast to rise 3 percent in 1994.
- Japan is still expected to import a total of 2.2 million tons in calendar years 1993 and 1994; but its 1993 imports were only 107,000 tons, and forecasts for 1994 imports have been increased to 2.1 million.

Cotton stocks continue to tighten, while trade continues to be forecast up. Prospective world production was lowered again recently, with three major producing countries—China, Pakistan, and India—continuing to show decreases. Significantly lower global cotton production and continued strong but steady world use point to the substantial reduction in world ending stocks in 1993/94.

- World cotton production is forecast to drop 5 million bales from last year, while trade is up 1.2 million and consumption is expected to fall 580,000.
- World ending stocks are projected to drop 19 percent from a year earlier, or about 7.4 million bales, tightening

the world's stocks-to-use ratio to 36.6 percent, down from 45 percent last year.

- The U.S. export forecast remains at 6.5 million bales, 25 percent above last year. However, the pace of shipments is currently slow.

[Carol Whitton (202) 219-0824]

For further information, contact: Sara Schwartz, world wheat; Randy Schnepf, world rice; Edward Allen, domestic wheat; Janet Livezey, domestic rice; Pete Riley, world feed grains; Tom Tice and Jim Cole, domestic feed grains; Nancy Morgan and Jaime Castaneda, world oilseeds; Scott Sanford and George Douvelis, domestic oilseeds; Steve MacDonald, world cotton; Bob Skinner and Les Meyer, domestic cotton. World information (202) 219-0820; domestic (202) 219-0840. AO

Livestock, Dairy & Poultry Overview

Beef supplies and production in 1994 are expected to be the largest since 1986, but with a larger population and greater beef exports this year, per capita beef supplies will only increase slightly from 1993's cyclical low. Beef prices are expected to drop slightly in 1994.

Despite marketings of heavier hogs, pork supplies will remain below a year earlier, pushing prices higher than last year. In contrast, lamb prices have been pressured downward by heavier slaughter weights and weaker retail and foodservice demand in several key consumption areas on the east and west coasts.

Production in all sectors of the poultry industry is expected to be higher in 1994, leading to a slight weakening of prices, particularly for eggs. Returns to broiler and egg producers are forecast to remain positive in 1994, but will decline as feed costs continue to rise. Turkey producers could end the year with a small loss.

Cattle Herd Continues Slow Expansion

The nation's cattle herd continues to increase at a slow pace. This slow expansion partly reflects structural changes within the industry that allow producers to market more beef per cow in a shorter period of time. Returns to cow-calf producers have been above cash expenses since 1986, but not strong enough to stimulate a more rapid expansion of the breeding herd. A slow expansion will limit future increases in per capita beef supplies and help maintain relatively stable beef prices.

Returns to cow-calf producers are forecast to remain positive in 1994, but will decline as input costs continue to rise and feeder cattle prices decline. Beef production in 1994 is expected to be the largest since 1986, but up just 2 pounds on a per capita basis from the cyclical low in 1993.

- Cattle inventory on January1 totaled 101.7 million head, up 1 percent from a year earlier.
- Feeder cattle supplies outside feedlots on January 1 were down less than 1 percent from a year earlier due to modest increases in the number of calves born in 1993, lower calf slaughter, larger feeder cattle imports, and smaller fourth-quarter feedlot placements.
- Feedlot inventories on March 1 were 2 percent above a year earlier and the largest for this date since 1974.
- Feedlot placements during the first half of 1994 are expected to be 2 to 5 percent below a year earlier due to large on-feed inventories, as producers keep animals on grass longer to gain weight before entering feedlots.
- Larger marketings of heavyweight cattle are expected to raise first-quarter beef production 8 percent from the weather-reduced level of a year earlier, the largest since the mid-1980's. Year-to-year production and weight gains will slow later this spring and during the second half of 1994.
- Fed cattle prices will rise from the low $70's per cwt this winter, to the mid-$70's for the remainder of 1994.
- Retail Choice beef prices are expected to average in the mid- to upper $2.80's per pound during 1994, down from $2.93 last year.

Pork Production, Consumption Down

Pork production during the first half of 1994 is expected to decline 2 percent from a year earlier. During the first quarter, a series of winter storms caused producers to delay hog marketings, pushing up hog prices. Then, packers slowed operations in response to the narrowing spread between live hog prices and cutout (wholesale) values that reduced their operating margins. However, by March, higher slaughter rates combined with heavier slaughter weights pushed pork production up sharply, although output will likely remain below a year earlier.

Pork supplies are forecast to decline seasonally this summer, with hog prices averaging near $50 per cwt. Producer profit margins are expected to remain positive if grain prices remain stable.

- Pork production in 1994 is forecast to be 16.7 billion pounds, down 2 percent from last year, with most of the drop occurring in the first half of the year.
- Pork consumption is expected to drop from 52.3 pounds per person in 1993 to 50.8 pounds this year.

Agricultural Economy

U.S. Livestock and Poultry Products—Market Outlook at a Glance

		Beginning stocks	Production	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price
								Total	Per capita	
		Million lbs						Lbs.		$/cwt
Beef	1993	360	23,058	2,401	25,819	1,275	529	24,015	65.1	76.36
	1994	529	23,993	2,355	26,877	1,410	475	24,992	67.1	71-77
Pork	1993	385	17,080	740	18,205	435	359	17,411	52.3	46.10
	1994	359	16,749	770	17,878	400	375	17,103	50.9	45-51
										¢/lb
Broilers	1993	33	22,011	0	22,044	1,966	27	20,051	68.3	55.2
	1994	27	23,176	0	23,203	2,080	33	21,090	71.1	51-57
Turkeys	1993	272	4,795	0	5,067	212	249	4,606	17.8	62.6
	1994	249	4,930	0	5,179	200	265	4,714	18.1	59-65
		Million doz.							No.	¢/doz.
Eggs*	1993	13.5	5,960.2	4.7	5,978.3	158.9	10.7	5,041.8	234.3	72.5
	1994	10.7	6,015.0	4.5	6,030.2	160.0	12.0	5,078.2	233.6	67-73

Based on March 10, 1994 World Agricultural Supply and Demand Estimates. 1993 estimates. 1994 projections.
*Total consumption does not include eggs used for hatching.
See tables 10 and 11 for complete definition of terms.

- Hog prices averaged in the mid-$40's per cwt in early March, but should begin to rise seasonally by April.

- Relatively large freezer stocks of ham in January and February kept prices from increasing despite seasonally stronger demand. In March, whole hams traded in the mid- to upper $60's, down slightly from last Easter.

- In contrast, pork belly prices are trading $15 a cwt above a year earlier, with freezer stocks the lowest since 1991. Continued price strength is expected through the spring quarter.

Higher Lamb Output To Weaken Prices

Lamb production in 1994 is expected to be larger than last year, pressuring wholesale prices downward. Heavy slaughter weights so far this year have contributed to lower prices. In addition, lower retention of breeding animals is expected to supply additional ewe and ram lambs for slaughter this year—animals that may have been held back for breeding under more favorable profit expectations.

Lamb carcasses are trading at sharply lower prices this year in the wholesale market due to weaker retail and food-service demand. Lambs not marketed prior to the holidays will likely face declining market prices the rest of the spring.

- Lamb production in 1994 is forecast to be 335 million pounds, up from 329 million last year. Commercial slaughter is expected to be just under 5.2 million head, up from 4.9 million last year.

- Lamb slaughter prices were expected to peak seasonally around Passover/Easter at about $65 per cwt, then drop to the mid-$50's by late summer.

- Wholesale prices just prior to the Passover/Easter holidays averaged $25 per cwt lower than a year earlier.

- Stock sheep exports to Mexico continued strong in 1993 at over 800,000 head despite the smaller beginning inventory. Shipments through early March 1994 were running above last year's pace.

Poultry Production Hits Record High

Broiler and turkey production are each expected to reach record levels in 1994, and prices should weaken slightly. However, some price strength will be provided by greater exports of dark meat, a stronger economy, and increasing fast-food sales. Higher feed costs will reduce returns to broiler and turkey producers in 1994, particularly in the first half of the year.

Broiler production is expected to remain profitable, while turkey producers will likely show a small loss for the year. Turkey poult placements are not

expected to increase much in the next few months, due to recent negative returns, and this will likely moderate production increases during the second half of the year.

- Broiler production is expected to increase about 5 percent in 1994, responding to several years of favorable returns. Production during the first half of 1994 is expected to be 5-6 percent above a year earlier.

- Wholesale prices for whole broilers during first-half 1994 will likely average in the mid-50's per pound, the same as a year ago.

- Average net returns to broiler producers in 1994 are expected to be less than 3 cents a pound, down from 6 cents last year, due primarily to higher feed costs.

- Growers have indicated intentions to raise 2 percent more turkeys in 1994 than last year. Output for the year is expected to be up around 3 percent from last year due to greater slaughter and heavier weights expected.

- First-quarter turkey output is expected to increase less than 1 percent from a year ago and rise about 5 percent in the second quarter.

- Wholesale prices for whole turkeys are expected to average about 60 cents a pound during first-half 1994, slightly higher than a year earlier. A relatively small increase in output, relatively low stocks, and continued strong exports will help support prices during the first half of 1994.

- Returns to turkey producers are expected to remain below breakeven during the first half of 1994.

Egg Production Record in 1994

Strong returns to egg producers in 1993 have encouraged increased production this year, with most of the growth in the first half of the year. Egg producers' increased pullet orders indicate the table-egg flock will remain larger in early 1994. Flock size increases, however, are limited by greater light-hen slaughter during the first 6 weeks of 1994. Higher slaughter rates are due to lowered returns thus far this year, and the large number of older layers in the flock.

For Easter, egg supplies should be adequate and prices below 1993's March wholesale peak of 92 cents a dozen. Higher feed costs and reduced egg prices will contribute to the lower returns in 1994.

- Total egg production in 1994 is expected to be a record, at about 6 billion dozen, up 1 percent from last year. Of this total, table-egg output will be 5.2 billion dozen, up 1 percent from last year.

- Wholesale and retail prices during the first half of 1994 are expected to average 4-7 cents below a year earlier. Producer returns during 1994 will be much lower than last year, averaging 2-3 cents per dozen.

- New markets for egg products are increasing usage by egg product manufacturers. First-quarter 1994 use of broken eggs was 15-18 percent ahead of last year's low level.

- U.S. egg and egg product exports are expected to rise slightly in 1994 to 160 million dozen, shell equivalent, from 158.9 million, supported by lower prices and Export Enhancement Program shipments. With Mexico's import restrictions eased, U.S. egg product exports to Mexico are growing.

Government Butter Stocks Dropping

Government stocks of butter are rapidly dropping, the result of falling excess domestic supplies and large food-aid shipments. Government butter stocks on February 1 were only half those of a year earlier and the lowest on that date since 1990. Stocks are expected to drop further by yearend. Even so, stocks will be ample for domestic food-assistance programs and any commercial market needs.

The heavy milkfat surplus that began in 1988 pushed government butter stocks to record highs by 1992. Sharp growth in commercial butter use in 1993 reduced sales to the government under the price support program. At the same time, large food-aid donations were made, mostly to Russia.

- Government butter stocks on February 1 were 236 million pounds, down from 463 million a year earlier.

- Butter removals by the government in 1993 were below 300 million pounds for the first time since 1987, the result of an 11-percent jump in commercial butter sales and growth in other uses of milkfat.

- Almost 300 million pounds of government-held butter was donated as food aid in 1993, with about 85 percent going to the countries of the former Soviet Union.

- By the end of 1994, government holdings of butter are expected to be below 50 million pounds.

For further information, contact: Agnes Perez and Shayle Shagam, coordinators; Ron Gustafson, cattle; Steve Reed, hogs and lambs; Lee Christensen, Larry Witucki, and Milton Madison, poultry; Jim Miller and Sara Short, dairy. All are at (202) 219-1285. AO

Specialty Crops Overview

Retail prices of the most popular fruits and vegetables—apples, oranges, bananas, tomatoes, and potatoes—were higher this winter than last. Orange and tomato prices are likely to come down this spring and summer due to larger supplies. However, potato prices are expected to remain higher than a year earlier because of smaller stocks.

Large U.S. tobacco stocks and poor market conditions led to a lowering of 1994 marketing quotas from 1993 levels. Declining domestic cigarette production and falling U.S. tobacco exports have been pushing up stocks.

Robust Demand For U.S. Apples

This year's U.S. apple crop—up marginally from the large 1992 crop—is encountering strong demand, with sales to Mexico and other export markets reinforcing brisk domestic demand for fresh apples. Also brightening the outlook for apple exports is the expected opening of the Chinese market to Washington apples later this year.

- Grower prices for fresh apples in February averaged 11 percent above February 1993.
- Retail prices for fresh apples in February averaged 6 percent higher than a year earlier.
- Stocks of apples for processing on March 1, 1994 were 1 percent below a year earlier, while those intended for the fresh market were up 5 percent.
- U.S. apple exports to Mexico during the 1993/94 marketing year (July-June) are forecast up 30 percent from last year, continuing a rapid expansion in exports to this market during the 1990's. The increase is largly the result of improved market access—including elimination of apple import licensing in 1991 and mutual agreement on phytosanitary controls. Mexico became the second-largest export market for U.S. apples last year, following Taiwan.

Larger Orange Supplies To Lower Prices

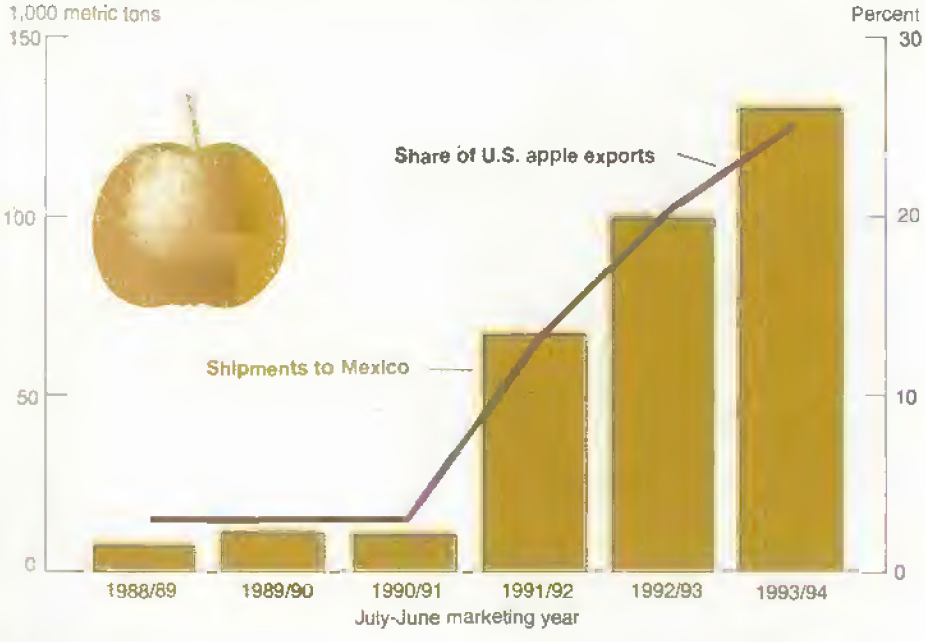
California's oranges matured slowly this winter and were less sweet than last year's "vintage" crop, and a pattern of severe weather in the Midwest and Northeast caused marketing and distribution problems. These conditions resulted in weak orange prices during January and early February. However, by early March, prices had strengthened as orange quality improved and more moderate weather revived demand in Eastern markets. Fresh orange prices are likely to weaken again this spring as shipments of California Valencia oranges pick up and expand supplies.

- U.S. all-orange production is forecast 5 percent lower than last year's large crop.
- Florida's all-orange crop is forecast 7 percent lower than last year, and California's navel crop is down 13 percent. However, California's Valencia crop is forecast up 22 percent from last year.
- The U.S. average retail price for fresh oranges was 49.6 cents a pound in February, down about a penny from January. But by mid-March, f.o.b. prices for navel oranges had increased 15-20 percent from February, and retail prices were expected to follow.

Smaller Stocks Keep Potato Prices Strong

Higher potato and tomato prices pushed retail prices for fresh vegetables above year-earlier levels during January and February. Potato prices are expected to remain higher than a year earlier during the spring and summer because of smaller storage supplies. But tomato prices could slip during April when Florida's spring production becomes available.

U.S. Apple Exports to Mexico Soar Since Ease of Import Barriers in 1991



1993/94 forecast.

Weak demand contributed to depressed lettuce prices during January and February, due partly to severe weather in the central and eastern U.S. Seasonally stronger demand may strengthen prices during the spring.

- The consumer price index for fresh vegetables in February was 7 percent lower than a year earlier. Potatoes, lettuce, and tomatoes are the major items in the overall index.
- March 1 potato stocks were down 4 percent from a year earlier due to greater processor use of potatoes—up 5 percent for the season.
- U.S. average retail prices for fresh potatoes in February were 23 percent higher than a year earlier. Most fresh potatoes marketed during the winter are from storage of the 1993 crop.
- Because of the lower March 1 potato stocks and strong processor demand, prices are expected to remain strong until the 1994 fall crop becomes available.
- The U.S. average retail price for lettuce during February was 22 percent lower than a year earlier.

Tobacco Quotas Lowered for 1994

Tobacco marketing quotas for 1994 have been lowered from 1993 levels because of rising burley and flue-cured stocks and weak demand. Large world supplies and a decline in U.S. domestic cigarette production have contributed to the buildup in U.S. tobacco stocks.

U.S. manufacturers are expected to use more domestic tobacco in 1994/95 than the year before because of Federal legislation requiring that U.S.-produced cigarettes contain at least 75 percent domestic leaf. In the longer term, however, demand for domestic leaf may decrease if manufacturers move some of their operations offshore to avoid the domestic content law.

- The basic marketing quota for 1994 has been set at 803 million pounds for flue-cured tobacco and 541 million for burley, down from 892 and 602 million in 1993.
- Flue-cured stocks at the beginning of the 1994/95 marketing year (July 1, 1994) are projected at 1.28 billion pounds, up nearly 5 percent from a year earlier.
- Beginning stocks of burley tobacco (October 1, 1994) also are expected higher, up almost 8 percent from a year earlier.
- Acreage allotments for 1994 have been increased 5 percent for fire-cured and sun-cured tobacco, but have been reduced 5 and 30 percent for cigar filler and binder tobacco. (These tobacco types account for only 3 percent of the U.S. tobacco crop, compared with 40 and 54 percent for burley- and flue-cured tobacco.)

[Glenn Zepp (202) 219-0882]

For further information, contact: Dennis Shields and Diane Bertelsen, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco (202) 219-0882. David Harvey, aquaculture; Lewrene Glaser, industrial crops (202) 219-0085. AO

April Releases—USDA's Agricultural Statistics Board

The following reports are issued at 3 p.m. Eastern time on the dates shown.

April

4 *Crop Progress—after 4:00 p.m.*
Poultry Slaughter
5 *Floriculture Crops*
6 *Broiler Hatchery*
Dairy Products
Egg Products
11 *Crop Progress—after 4:00 p.m.*
Hatchery Production, Annual
12 *Crop Production*
13 *Broiler Hatchery*
Potato Stocks
Turkey Hatchery
14 *Meat Animals, Production, Disp., & Income*
15 *Milk Production*
Vegetables
18 *Crop Progress—after 4:00 p.m.*
20 *Broiler Hatchery*
Catfish Processing
22 *Cattle on Feed*
Cold Storage
Livestock Slaughter
25 *Chickens & Eggs*
Crop Progress—after 4:00 p.m.
27 *Broiler Hatchery*
28 *Peanut Stocks & Processing*
29 *Agricultural Prices*
Catfish Production

News Watch . . .

New USDA Survey of *E. coli* in Dairy Cows

A recently completed USDA study found that 3.6 out of every 1,000 dairy calves test positive for *E. coli* 0157:H7, and indicates herd management practices may have an impact on the prevalence of this pathogen. This relatively new bacterial pathogen is associated with several human illnesses, and is considered the leading cause of acute kidney failure in children.

The USDA study, conducted by the Animal and Plant Health Inspection Service, included 1,811 dairy operations in 28 states. An increase in prevalence of the *E. coli* pathogen was associated with several herd management factors. Weaned calves were three times more likely to test positive than calves still nursing, and a dairy herd was nine times more likely to test positive if calves were grouped before weaning. The study found no regional or seasonal clustering of the pathogen.

USDA's Economic Research Service estimates that between $229 and $610 million in medical costs and productivity losses from foodborne disease are caused by this pathogen (*AO* June 1993).

Health Rules for Farmworkers

The deadline for agricultural employers to comply fully with the Environmental Protection Agency's (EPA) 1992 worker protection standard may be delayed until January 1, 1995. In March, the Senate passed and sent to the House a measure postponing implementation, which had been set for April 15, 1994.

The 1992 standard covers every agricultural employer of workers who perform hand labor in fields, forests, nurseries, or greenhouses treated with pesticides, and it includes livestock producers. EPA estimates that nearly 4 million owners, operators, family members, and hired workers and handlers could be affected. The new standard expands employer requirements for training workers who handle pesticides, protecting workers from exposure, and providing emergency assistance to exposed workers. EPA's new standard would complement the Clinton Administration's proposed overhaul of pesticide laws, which focuses on lowering pesticide risks to consumers (*AO* December 1993).

Industrial Crops Gaining Ground

USDA-industry partnerships to develop plant-based, environment-friendly, industrial products—newsprint, building materials, petroleum substitutes, and plastics—are multiplying. These efforts are expanding markets for soybeans and other traditional crops, and are opening new markets for lesquerella, kenaf, and other alternative crops. Congress set up USDA's Alternative Agriculture Research and Commercialization Center (AARC) under the 1990 farm bill, to forge links between scientists making discoveries and the firms marketing new products (*AO* June 1993).

Kenaf International plans a $50-million paper mill in Texas. The mill is being designed to produce 30,000 tons of newsprint per year from a mix of kenaf and recycled newsprint, and would provide a steady market to grow kenaf on far greater acreage than the current 3,000 acres by 25 Texas farmers. AARC is investing a repayable $100,000 to help Kenaf International prepare materials for promoting the project with potential investors and lenders.

Phenix Composites is moving to full-scale production of "Environ." AARC is providing $1 million to supplement the $1.6 million in new Phenix Composite to take its pilot project production of "Environ" to full-scale. Environ, a composite building material made from soybean meal and newspapers, is being used to make decorative pieces and furniture in a variety of colors, and should soon be available for use as a structural material as well. Environ is expected to be produced in a network of small plants located throughout rural America to hold down transportation costs.

New Agrigenetics-headed consortium aims to replace imported castor oil with domestic lesquerella oil. Agrigenetics is investing $267,000, AARC is investing $500,000 (which will be repaid), and other partners have pledged over $1 million to domesticate wild lesquerella and raise its yield of both seed and high-quality oil. The oil will be used in everything from high-performance specialty plastics and lubricants, to high-priced cosmetics.

Regional Forum Addresses Hunger

The consolidation of Federal food assistance programs was among the recommendations at USDA's regional hunger program held last month in Kansas City, Missouri. Voices heard at the forum—the third in a series—included those of nutritionists, government officials, advocates for the hungry, and individuals who experience hunger daily. All focused on ways to reduce hunger in America. Consolidation of programs, asserted one speaker, would maximize food resources and reduce duplication of efforts. Others expressed support for USDA's nutritional outreach effort. USDA is currently striving to integrate its food assistance programs—such as the Food Stamp Program, WIC, and the School Lunch Program—with nutrition education (*AO* January-February 1994). The final forum will be held April 22 in Dayton, Ohio. AO

Commodity Spotlight

USA Rice Council

U.S. Rice Plantings: Great Expectations

U.S. rice acreage in 1994 is likely to be the second largest ever. Among the major factors in the high level of anticipated plantings is the rise in prices—due to Japan's large import requirements and a GATT agreement that, when implemented, will partially open Japan's and South Korea's markets to imported rice. Another major factor in the 1994 level of plantings is that no acreage is required to be idled for participation in USDA's 1994/95 rice program.

In 1994, 80 to 90 percent of the enrolled rice base area of about 4 million acres is expected to be planted to rice, up from 60 to 80 percent in recent years. This equals 3.2 to 3.6 million acres, with the mid-point—3.4 million acres—the second highest U.S. rice acreage ever planted.

Rice accounts for less than 1 percent of major field crop acreage in the U.S. Five states produce over 95 percent of U.S. rice: Arkansas, California, Louisiana, Mississippi, and Texas. While the U.S. produces only about 1 to 2 percent of the world rice crop, it is the second-largest exporter, accounting for 16 to 17 percent of trade in recent years.

U.S rice acreage peaked in 1981 at over 3.8 million acres. This followed a record average U.S. farm price the previous year at $12.80 per cwt, well over the target price, as exports also reached record levels. Avarage rice prices in 1993/94 and 1994/95 (August-July crop year) are not expected to move as high as the 1980/81 crop year (August-July) peak. After 1981, stepped-up shipments from some Asian rice exporters, nearly stagnant world rice trade, and policies promoting rice self-sufficiency in many Asian importing countries, all helped to lower rice prices.

Japanese Imports Push Up Prices

Crop-year 1993/94 began with U.S. prices at a 5-year low due to relatively large domestic stocks and reduced world trade. Larger U.S. production in 1992/93 had boosted supplies to near-record levels, and abundant global exportable supplies fueled price competition in world markets, putting heavy downward pressure on both U.S. and world prices.

But by November 1993, U.S. farm-level rice prices were $8.06 per cwt, up nearly $3 per cwt from August and about $2 from October. Prices moved even higher in December before leveling off somewhat in January. Similar movements occurred in the world rice prices announced weekly by USDA.

The rise in prices was due mainly to the shortfall in Japan's 1993 rice production and its low level of stocks. Since 1969, Japan has instituted area diversion programs to reduce rice production and eliminate burdensome stocks. When bad weather reduced the 1993 crop by nearly 26 percent from a year earlier, stocks were inadequate to avoid shortages.

Japan's immediate need for foreign rice boosted world trade substantially in 1993/94, and the expansion will likely continue in 1994/95. In addition, when the GATT agreement signed in mid-December 1993 is implemented, it will permanently open a small portion of the Japanese and South Korean rice markets to imports. Both countries had previously barred importation of any foreign rice in an effort to protect domestic producers.

U.S. growers, a major source of the high-quality japonica-type rice preferred by Japanese and South Korean consumers, will benefit from these developments. Japonica rice accounts for about 15 percent of world rice production and is grown in temperate climates. Australia, Italy, and the U.S. are the major exporters of high-quality japonica rice, and except for the U.S., none could substantially expand production to meet greater import demand. Few other potential suppliers currently exist, contributing to the fast price runup for this type of rice.

Japan is currently projected to import at least 450,000 metric tons of milled U.S. rice during the Japanese 1993/94 marketing year (November-October). This represents over 16 percent of total U.S. rice exports estimated for the 1993/94 U.S. marketing year and nearly 26 percent of U.S. japonica production. Transactions have been completed for over half of this amount, and some U.S. rice has already been shipped to Japan, mainly the Calrose variety of japonica from California. Some of the U.S. rice purchased by Japan has been a less preferred japonica-type rice grown in the lower Mississippi River Delta.

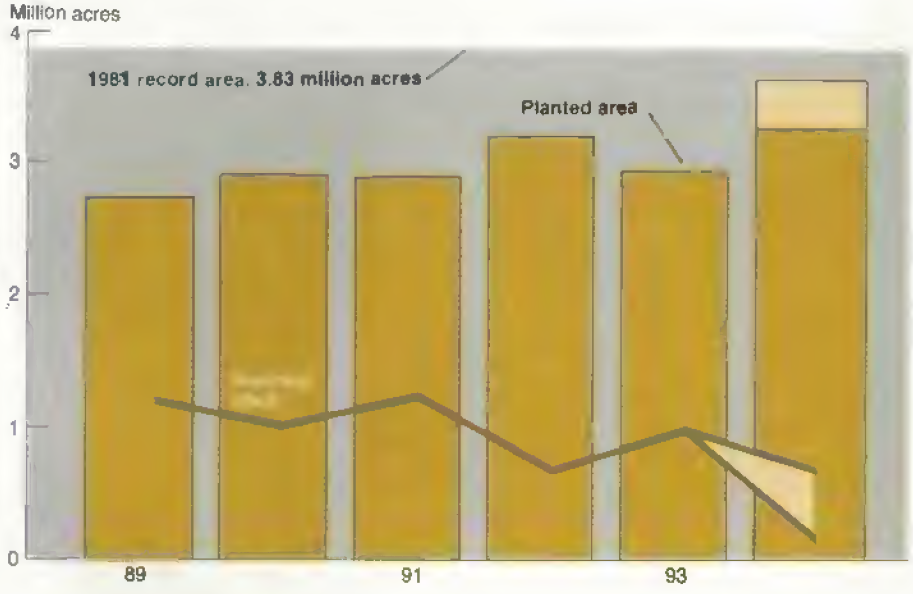
If exports continue strong in 1994/95, larger U.S. supplies will be needed to meet domestic and export demand and to rebuild dwindling stocks. The U.S. exports roughly half its rice crop each year. The domestic market, which has nearly doubled in the past 15 years, continues to expand. Because U.S. rice yields have been relatively stable since the late 1980's, annual production is determined primarily by acreage planted.

Commodity Spotlight

Fewer Acres To Be Idled in 1994

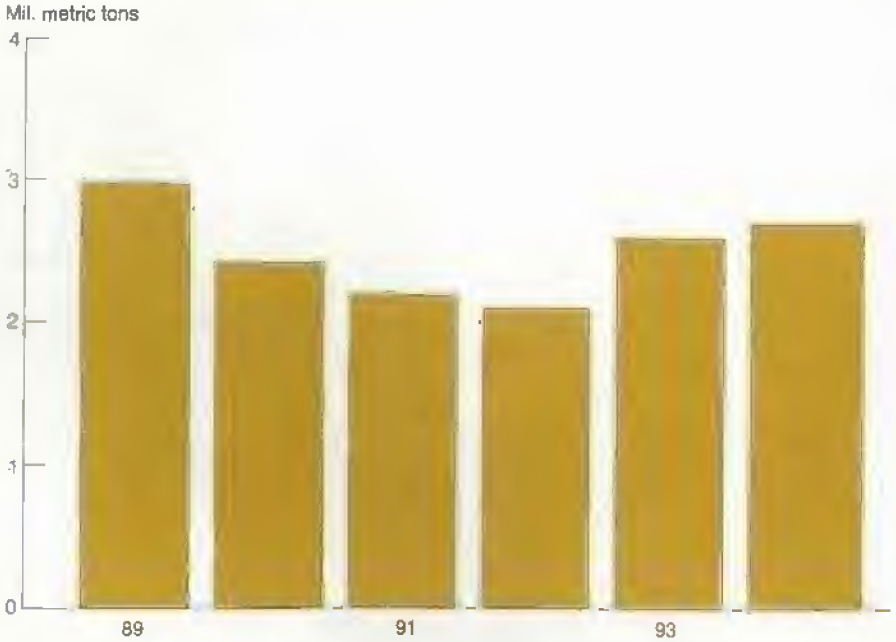
The U.S. rice program for 1994/95 was announced initially on December 1, 1993 and finalized on January 31, 1994. This year's program includes a 0-percent acreage reduction program (ARP), compared with 5 percent for 1993. In addition, the Omnibus Budget Reconciliation Act of 1993 changed the 50/92 program to a 50/85 program. This reduces by 7 percent the amount of unplanted acreage eligible for deficiency payments, and retains the requirement that at least 50 percent of a farm's maximum payment acres must be planted.

U.S. Rice Acreage To Be Second Largest Ever . . .



1994 forecast range.
*Includes required idled acres under Acreage Reduction Program, acres enrolled in 50/92 (50/85); and acres flexed out of rice.

. . . Spurred by Greater U.S. Exports



Milled basis. 1994 forecast.

The deficiency payment rate for 1994/95 is estimated to be $0.94 per cwt, down substantially from $3.98 last year. Combined with a smaller proportion of acreage receiving deficiency payments in the 50/85 program, this could lead growers to enroll less acreage in the 50/85 program in 1994. In addition, some normal flex acres not typically planted to rice may come back into rice production in 1994 due to the relatively high prices for rice compared with alternative crops.

Rice acreage idled under the 50/92 program and/or flexed out of rice to another crop has been substantial in recent years. Area idled under 50/92 alone was close to 0.7 million acres in 1991, 0.4 million in 1992, and 0.5 million in 1993. Annual acreage flexed out of rice was around another 0.3 million acres in 1991, 1992, and 1993. In 1991 and in 1993, a 5-percent ARP accounted for additional idled acreage of nearly 0.2 million acres. In 1992, a 0-percent ARP was in effect.

In 1994/95, acreage idled under 50/85, together with flex acres not planted to rice, are expected to total no more than 0.3-0.7 million. Rice planting decisions in 1994 then will depend less on government programs and more on market prices than in recent years.

Limits to Expansion

Constraints to increases in U.S. rice acreage include restrictions on water availability, rotational requirements to control red rice, the expense of meeting environmental requirements, and high production cost on additional land brought into use. Red rice is an undesirable grain that grows in rice fields and competes with regular rice, reduces yields, and leads to heavy discounts for farm rice prices because of the difficulty and expense of removing it during the milling process.

USDA's *Prospective Plantings* report, scheduled for release on March 31 and based on a survey conducted during the first 2 weeks of March, provides the first official USDA projection of U.S. rice plantings. The June *Acreage* report, scheduled for release on June 30, will update the March estimates.
[Janet Livezey and Bryan Just (202) 219-0840] AO

Crop Programs—A Glossary

Acreage reduction program (ARP)—A crop-specific voluntary land retirement scheme in which farmers participating in Federal commodity programs idle a portion of their acreage base for wheat, feed grains, cotton, or rice. Farmers must comply with any announced ARP to be eligible for Commodity Credit Corporation nonrecourse loans and deficiency payments. Participating producers are sometimes given the option of idling additional land under a *paid land diversion program*, which gives them a specific payment for each idled acre.

Base acreage—A farm's 5-year moving average of acreage planted and considered planted to each program crop (wheat, feed grains, cotton, rice), used in administering annual farm programs. In addition to planted acreage, base acreage includes land not planted due to acreage reduction (including 50/85) or land diversion programs, and flex acres not planted or flexed to other specified crops.

50/85 program (formerly 50/92)—Allows cotton and rice growers who plant at least 50 percent of their maximum payment acres to receive deficiency payments on 85 percent of maximum payment acreage. The 1993 budget act changed the 50/92 program to a 50/85 program.

Normal flex acres—The portion of a farmer's permitted plantings (15 percent of base acreage) not eligible for deficiency payments. A farmer may plant specified crops on this acreage without loss of acreage base.

Optional flex acres—In addition to the 15 percent normal flex acres, up to 10 percent of a farmer's base acreage may be planted to other specified crops. If a farmer chooses to plant specified crops on these optional flex acres, deficiency payments are forfeited on these acres for the year, but a farmer's base acreage is protected.

Target price—A price established by law for a program crop. If a program crop's market price is below its target price, farmers participating in the Federal commodity program for that crop receive a deficiency payment.

Nonrecourse loans—The major price support instrument used by USDA's Commodity Credit Corporation to support the price of wheat, rice, feed grains, cotton, peanuts, and tobacco. Farmers who agree to comply with all commodity program provisions may pledge a quantity of a commodity as collateral and obtain a loan from the CCC. The farmer may elect either to repay the loan with interest within a specified period and regain control of the commodity, or default on the loan. With default, the farmer forfeits the collateral commodity without penalty to the CCC.

Loan rate—The price per unit at which the CCC will provide nonrecourse loans to participating farmers for program crops.

Deficiency payment—A government payment to farmers who participate in the wheat, feed grain, rice, or cotton program. The per-unit payment rate is equal to the difference between the target price and the higher of the market price or the loan rate during a specified period. Deficiency payments are paid only on eligible program production (payment acres times program yield).

Program yield—The commodity yield of record for a farm, which along with eligible acreage, determines the level of production eligible for deficiency payments. Program yields have been fixed since the mid-1980's.

Marketing loan program—A program authorized by the Food Security Act of 1985 that allows cotton and rice producers to repay nonrecourse price support loans at less than the announced loan rate whenever the world price for the commodity is less than the loan rate. Wheat and feed grains were recently added to the program.

Rise in U.S. Cotton Prices & Exports

Production shortfalls in key cotton producing countries have recently led to a runup in U.S. and world cotton prices. Cotton prices began the 1993/94 marketing year (August-July) at relatively low levels, declining through early November before moving slightly higher. Prices did not increase substantially until mid-December, when estimates of cotton output in major producing countries were lowered significantly from earlier forecasts.

World cotton production is forecast at 77.7 million bales in 1993/94, down from 82.8 million last year, and well below 1991/92's record of 96 million. While cotton is produced in many countries around the world, the five leading producers—China, the U.S., India, Pakistan, and Uzbekistan—typically account for around three-fourths of world output.

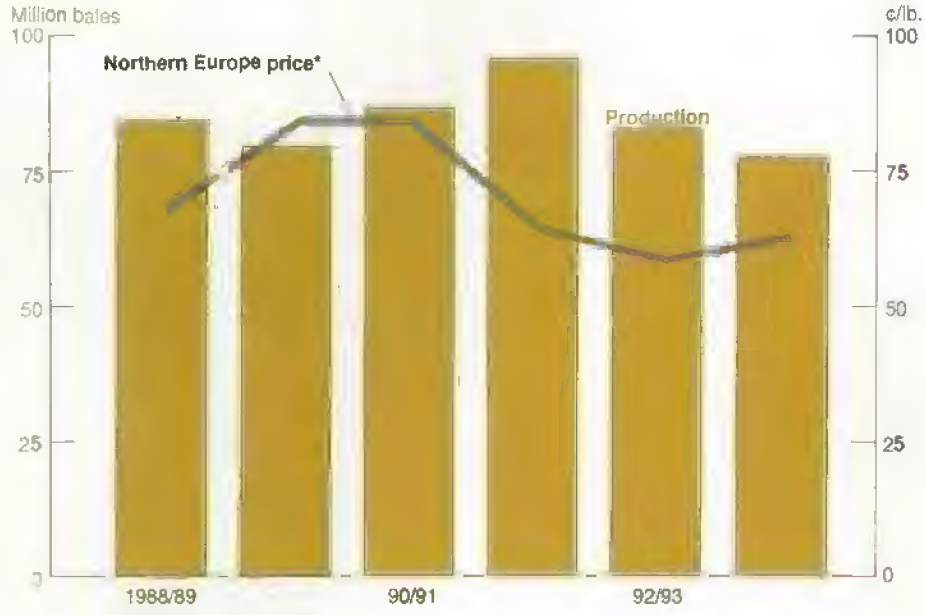
Output Down Again In China & Pakistan

Although U.S. cotton production in 1993/94 was 16.2 million bales, just short of last season's relatively large crop, cotton production outside the U.S., at 61.5 million bales, is estimated 5 million below last year and the lowest since 1986/87. A second consecutive year of depressed production in China and Pakistan accounts for much of the decline.

China's 1993/94 cotton crop is estimated at 17.3 million bales, down from 20.7 million last year and 26.1 million in 1991/92. Pakistan's production is estimated at 6 million bales, down from 7.1 million last year and 10 million in 1991/92. Lower acreage was largely responsible for China's decline, while plant virus and insects in Pakistan slashed yields and shrunk production.

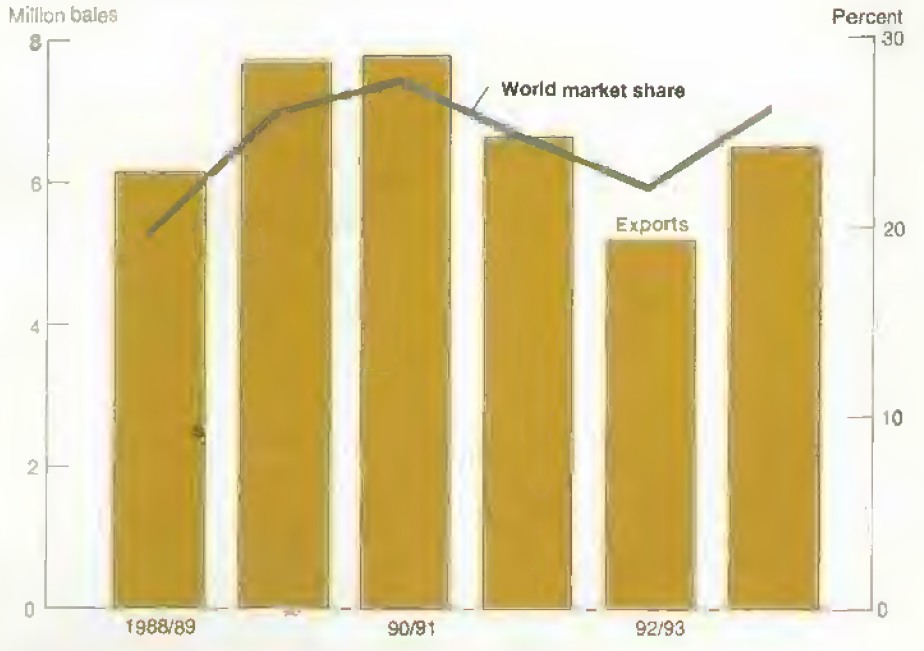
Commodity Spotlight

World Cotton Production Declines a Second Year . . .



1993/94 average through mid-March.
*Average of the five lowest prices of cotton offered for sale in northern Europe.

. . . As U.S. Exports Jump 25 Percent



1 bale = 480 pounds.
1993/94 forecast.
August-July marketing year

Estimates in December 1993 for the combined cotton crops of China and Pakistan were reduced 1 million bales, or 4 percent from a month earlier, initiating a period of rising prices. While December's estimate for the five leading producers was more than 1.5 million bales, or 3 percent, below the 1992/93 crop, further reductions followed in January, February, and March. During these 3 months, the combined production estimate for China, India, and Pakistan was lowered 3.3 million bales. This dropped the 1993/94 estimate for the five major producers to 55.8 million bales, the lowest since 1989/90.

The Southern Hemisphere cotton crop, currently being harvested, is forecast to be 5.6 million bales, up slightly from last year's weather-reduced crop. But it will still be one of the smaller crops for the region in recent years, further buoying prices.

Each of the top five producing countries is a major exporter or major user of raw cotton—or both. With foreign production declining and world cotton trade expected to improve for the first time since 1988/89, U.S. cotton producers and exporters should benefit. Stronger world economic growth is responsible for most of the increase in world cotton trade.

The U.S. is the largest exporter of cotton, accounting for 20-25 percent of world trade. In 1993/94, forecasts for U.S. exports have risen 600,000 bales since December, to 6.5 million, 25 percent above last year and boosting the U.S. share of world trade to 25 percent.

With world cotton production dropping and consumption nearly stable, projected world ending stocks in 1993/94 are down from one of the highest levels ever in 1991/92. Two years of falling cotton production in China and Pakistan, and the beginning of a recovery in world cotton consumption, have dropped global ending stocks from 41 million bales, or 48 percent of use, in 1991/92, to a projected 31 million bales, or 37 percent of use, in 1993/94.

Cotton Prices Climb In U.S. & Abroad

Smaller foreign production and lower expected ending stocks have pushed U.S. and world cotton prices higher since December. Although there are many cotton price series based on differences in quality, staple length, and pricing location, these prices generally move in tandem. Three major cotton price series are:

- *Northern Europe price*—An average of the five lowest prices of cotton offered for sale in Northern Europe. Changes in this average are generally considered an indicator of movements in the world price for cotton.

Currently, 14 offered prices may be considered, including 2 from the U.S.

- *Adjusted World Price*—A 5-day average of the Northern Europe price adjusted to U.S. standard quality and location. Under the marketing loan program, U.S. farmers may redeem cotton placed under Commodity Credit Corporation (CCC) loan at the smaller of the Adjusted World Price or the CCC loan rate (52.35 cents per pound in 1993/94 for standard quality); or, if the Adjusted World Price is below the loan rate, farmers may forego placing cotton under loan and receive a loan deficiency payment which equals the difference between the loan rate and the Adjusted World Price.

- *U.S. spot price*—An average cash price of the seven spot markets located across the U.S. cotton belt.

In February, the Northern Europe price averaged over 80 cents a pound, compared with 69 cents just a month earlier, and 60 cents in December. The Adjusted World Price averaged 66 cents a pound in February, up from 54 cents in January and 46 cents in December. Likewise, the U.S. spot price climbed to 73 cents a pound in February, up from 67 cents in January and 60 cents in December.

Both U.S. and world cotton prices are likely to remain strong for the remainder of the marketing year. For U.S. cotton producers, higher prices will push income up; for U.S. taxpayers, higher prices will reduce government outlays for deficiency payments and the marketing loan program.

U.S. Cotton Area Expected Near 1993's

In addition to the price gains this season, new crop prices have benefited as well from the 1993/94 production declines. In December, new crop futures prices for December 1994 delivery averaged 65 cents per pound, and rose in January and February, averaging 68 and 71 cents.

As spring planting for the 1994/95 U.S. cotton crop approaches, there is considerable interest in how producers will respond to the higher prices. The response by U.S. growers of upland cotton (98 percent of U.S. production) may be limited, however, by a higher acreage reduction program (ARP) requirement of 11 percent. USDA responded to the foreign production problems that occurred in December by reducing the final ARP from the preliminary 17.5 percent, although it is above 1993's 7.5 percent.

Despite the higher 1994 ARP, cotton acreage may decline only slightly, for two reasons. First, the higher prices may encourage some producers not to participate in the program in 1994/95. Second, the higher prices may affect choices on the use of normal flex acres (15 percent of program crop base acreage). Since producers do not receive deficiency payments on normal flex acres, planting decisions for this acreage are based on market prices. Program participants who grow other crops, for example, may decide to plant cotton on their normal flex acres.

The first indication of 1994/95 cotton acreage comes on March 31 with the release of USDA's *Prospective Plantings*. This report will set the stage for the initial 1994/95 supply and demand estimate scheduled to be released on May 10. *[Leslie Meyer (202) 219-0840]* AO

Courtesy Port of New Orleans

High-Value Exports Set Pace In 1994

Strong exports of packaged and processed "high-value" commodities—such as fresh fruits and vegetables, meats, confectionery products, and livestock feeds—are expected to sustain U.S. agricultural trade performance in fiscal 1994. High-value exports are expected to rise 3 percent from 1993 to over $25 billion, offsetting falling bulk export value and stabilizing total value at $42.5 billion.

Bulk exports (grains, soybeans, cotton, and tobacco) are expected to fall 4 percent to $17.4 billion in 1994 because of smaller foreign import demand, increased competition, and tight U.S. supplies. The bright spots in the bulk commodity picture—cotton and rice exports—are expected up 30 and 43 percent from last year. Japan's decision to import rice has pushed up prices and boosted U.S. exports of that commodity, while weaker export prospects for foreign competitors are expected to boost U.S. cotton exports.

World Agriculture & Trade

The U.S. is expected to set records in its top three foreign ag markets—Japan, Canada, and Mexico—in 1994. U.S. high-value exports to Canada and Mexico are boosted by trade agreements with those countries and by their improved economic conditions. The outlook for U.S. farm commodities in Japan is also improved this year, even though Japan's economic growth prospects deteriorated in first-quarter fiscal 1994 and U.S.-Japan bilateral trade talks broke off in February. U.S. export value prospects in Japan are supported by Japan's strong currency and its relatively inelastic demand for grains and soybeans (purchases are largely unaffected by price changes).

Corn Exports Lead Grain Declines

Coarse grain shipments are projected down 22 percent from last year in volume. U.S. coarse grain exports are forecast to decline to 39.1 million tons in 1994, and will fall in most major markets. Some U.S. corn exports are being displaced by China's record exports, especially to Korea, and by South Africa's exports to Japan. In the former Soviet Union (FSU), less waste of domestic supplies, and reduced use in the livestock sector, have sharply cut coarse grain imports—from 16 million tons imported 3 years ago from the U.S. to 5.2 million last year. Lower exports are expected again in 1994.

Despite lower demand and increased exports from competitors, an 18-percent rise in the export price for coarse grains in fiscal 1994 is expected to limit the decline in U.S. export value to 8 percent.

Wheat export volume is expected to decline 13 percent. The lower U.S. wheat export forecast for 1994—31.5 million tons—reflects large world supplies dampening wheat trade. In the FSU, lower consumption has weakened prospects for imports of U.S. wheat. In China, a record 1993 wheat harvest, reduced consumer subsidies, and other market reforms are dampening U.S. prospects in 1994.

Gains in U.S. wheat exports are expected in Nigeria, where a ban on wheat imports was lifted in 1992; in the Philippines, where demand for wheat-based foods is increasing; and in North Africa, where severe drought has necessitated wheat imports.

Soybean export volume is expected down 19 percent. Soybeans are expected to fall to 16.5 million tons in 1994. Demand is weaker in the European Union (EU)—the primary destination for U.S. soybeans—where CAP reform has lowered grain prices and promoted increased grain use for feed. In addition, EU rapeseed supplies are adequate for crush, soybean crushing margins favor meal imports, and Brazil and Argentina are expected to ship more soybeans to the EU. With U.S. soybean supplies tight because of lower acreage combined with lower yields, export prices are less competitive—projected about 15 percent higher than last year.

Cotton and rice exports are forecast up 30 and 43 percent. Cotton is one bulk commodity for which the U.S. outlook has improved substantially since the beginning of the fiscal year. The forecast has been revised upward by 200,000 to 1.5 million ton; and the value projection was raised $300 million to $2 billion. Weaker export prospects for China, India, and Pakistan are expected to boost U.S. cotton exports in 1994.

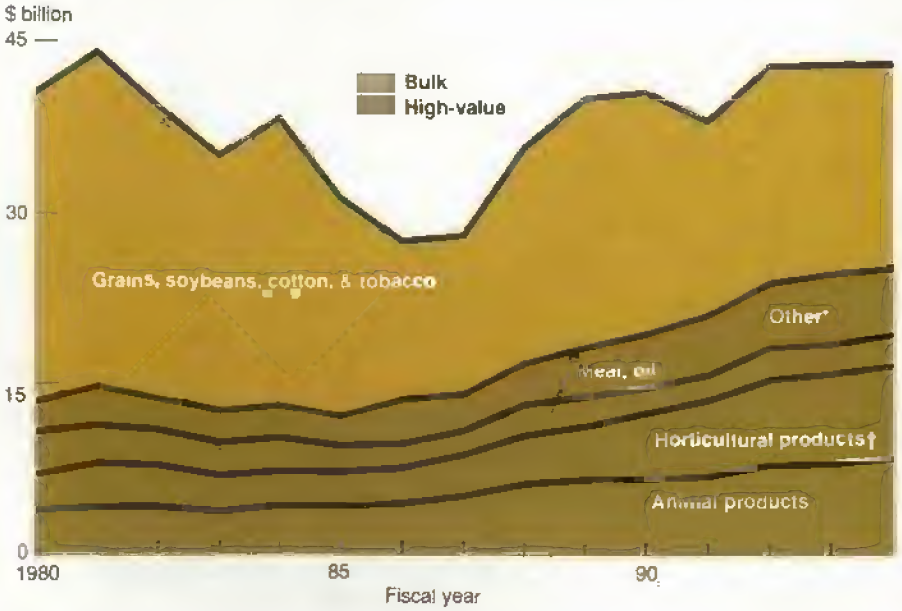
Japan's entry into the world rice market has pushed up prices and is expected to boost U.S. rice exports substantially in 1994.

High-Value Sales Still Climbing

High-value exports are projected to grow to over $25 billion in 1994, pushing their share to 59 percent of total U.S. ag export value. Improved world income growth in 1994 is expected to help boost the value of U.S. high-value exports. Higher incomes and increased market access in importing countries are also helping high-value exports this year, particularly livestock and horticultural products.

Horticultural exports are expected up 6 percent from last year. Exports of fruits, nuts, vegetables, and other horticultural products are expected to rise at least $300 million from 1993 to $7.7 billion, based on stronger sales to Japan, Canada, and Mexico.

While U.S. Bulk Exports Decline, High-Value Shipments Continue To Rise



1994 forecast.
*Primarily feed and fodder.
†Includes fresh and processed vegetables, fruits, nuts.

Japan, Canada, and Mexico Are Leading Markets for U.S. Ag Exports

	Total U.S. ag exports	High-value share of ag exports	Top 5 high-value exports
	$ billion	*Percent*	
Japan	8.5	56	Beef, feed & fodder, fresh fruit, variety meats, pork
Canada	5.2	94	Fresh vegetables, fresh fruit, beef, feed & fodder, poultry meat
Mexico	3.7	68	Poultry meat, beef, feed & fodder, seeds, hides & skins
Korea	2.0	55	Hides & skins, beef, processed vegetables, soybean meal, fruit juice
Taiwan	2.0	30	Fresh fruit, hides & skins, processed vegetables, feed & fodder, beef
Netherlands	1.8	50	Feed & fodder, bran & hulls of oilseeds, peanuts, inedible tallow, almonds
Germany	1.1	64	Almonds, feed & fodder, dried fruit, nursery/greenhouse products, processed vegetables
Hong Kong	0.9	89	Poultry meat, fresh fruit, processed vegetables, hides & skins, pistachios
United Kingdom	0.9	89	Feed & fodder, dried fruit, processed vegetables, dried beans, fresh fruit
France	0.6	83	Feed & fodder, seeds, processed vegetables, almonds, horsemeat
Total	42.6	57	Feed & fodder, beef, fresh fruit, processed vegetables, hides & skins

Data for fiscal 1993.
Source: *Foreign Agricultural Trade of the United States*, November/December 1993, USDA, Economic Research Service.

Tariff reductions under the Free Trade Agreement with Canada, and the elimination of import quotas under the citrus agreement with Japan, have expanded these markets over the last several years, particularly the Canadian market. More gains are expected for both markets in 1994.

Apple exports to China could increase in 1994, in the wake of China's agreement in December 1993 to relax phytosanitary regulations for apples, and to reduce its tariff from 80 to 40 percent in January 1994. Income growth in Mexico has increased demand for U.S. deciduous fruit, and the North American Free Trade Agreement (NAFTA), which reduces Mexico's tariffs, should further boost U.S. exports in 1994.

Red meat and poultry exports are forecast up 5 percent in 1994. Lower expected beef prices will likely boost export volume enough to offset reduced prices. Lower beef prices, the Japanese yen's strength relative to the dollar, and lower Japanese tariffs, will likely increase beef sales to Japan in 1994.

Exports to Korea are expected to gain because of successful negotiations to broaden Korea's minimum import quota for beef. Furthermore, Mexico lifted high tariffs on beef at the beginning of 1994 under NAFTA, which should expand U.S. beef exports in 1994 after a sharp fall in 1993.

Vigorous Demand In Major Markets

U.S. farm exports are expected to set records in the top three U.S. ag export markets—Japan, Canada, and Mexico—largely because of increasing high-value exports. Ag exports, especially bulk commodities, are expected down in other important U.S. markets, including the EU and the FSU.

Exports to Japan are forecast up 8 percent from 1993 to $9.1 billion. Japan's relatively inelastic demand for bulk grains and soybeans, combined with the strong Japanese yen, supports U.S. bulk exports, and export value will likely increase in 1994. Rice shipments will add further to the value of U.S. bulk exports to Japan. Data for the first quarter of fiscal 1994 show, in addition to strong beef exports, a 35-percent gain over last year in fruit, nut, and vegetable exports to Japan, as demand remains strong for U.S. food products.

Exports to Canada are forecast at $5.4 billion, up 4 percent. Continued economic growth and the benefits of

reduced tariffs under the Free Trade Agreement will again increase U.S. exports in 1994. Canada will continue as the leading destination for U.S. fresh fruit and vegetable exports, and gains are also expected in highly processed commodities—such as canned and frozen vegetables, coffee, and cocoa.

Exports to Mexico are expected up 7 percent to $3.9 billion. Income growth, NAFTA, and changes in agricultural policy that reduce domestic producer prices for certain commodities, favor strong U.S. export growth to Mexico in 1994. Immediate gains are expected in livestock exports and some bulk commodities. The implementation of NAFTA at the beginning of this year eliminated some high tariffs that had been imposed on cattle and beef in 1992 and slowed trade in 1993. Gains are also expected in exports of fruit, nuts, and vegetables to Mexico in 1994, as tariffs are reduced and import demand increases.

Exports to the EU and FSU are forecast down 3 and 16 percent. The $6.8-billion forecast for U.S. exports to the EU in 1994 is down $200 million from last year. Similarly, the FSU forecast is down $300 million from $1.6 billion in 1993. While first-quarter fiscal 1994 exports to the FSU were higher than anticipated because of increased high-value exports of pork, poultry, soy meal, vegetable oils, and chocolate, lower bulk exports are overwhelming these high-value gains. The value of the exports to Central and Eastern Europe, Korea, and to some African countries, are also forecast down because of lower bulk exports.

Market-opening measures and income growth are increasing U.S. high-value exports overall in 1994. Further down the line, implementation of the Uruguay Round is expected to boost bulk as well as high-value exports as trade barriers recede.

[Joel Greene (202) 219-0822] AO

Food and Drug Administration

Health Care Reform: Provisions for Self-Employed

Under the Administration's plan to reform the nation's health care system, qualified self-employed Americans, including farm sole proprietors, would be able to deduct the full cost of health insurance premiums they pay for themselves and their families. This provision would expand the deduction from the 25-percent limit under current law, and could increase the number of farm sole proprietors claiming the deduction. The proposal also would require all employers—including farm sole proprietors and other self-employed individuals who hire workers—to contribute to their employees' health insurance premiums.

Farms account for almost 25 percent of all sole proprietorships in the U.S. Most of the nation's farms (87 percent) are organized as sole proprietorships, with the remainder mostly partnerships and corporations. Farms are generally small compared with other industries, and require less labor than other sectors of the economy.

Farmers' Use of Deduction Has Expanded

The current Federal tax treatment of health insurance provides significant subsidies that favor employers who provide health insurance for their employees—and the employees receiving such insurance—compared with self-employed individuals. Under current law, the entire amount of an employer's contributions towards employees' health insurance premiums is exempt from employees' Federal, state, and local income taxes—as well as from the Federal payroll tax. In addition, employers can fully deduct their contributions toward employees' health insurance as a business expense.

In contrast, qualified self-employed individuals are able to deduct only 25 percent of their own health insurance premiums. Eligibility for the deduction is determined on a monthly basis and depends on access to employer-provided health insurance and the amount of self-employed income. A self-employed individual with access to employer-provided health insurance—either through another job or their spouse's employer—is not eligible for the deduction under current law.

According to IRS data, the number of farm sole proprietors claiming the self-employment health insurance deduction has been growing. From 1988 to 1990, the number of farm proprietors claiming the deduction has increased by approximately 100,000, bringing the total to nearly 430,000. The total amount claimed by farm sole proprietors during that period has increased from $155 million to $265 million—a 70-percent rise—and the average deduction has increased from $473 to $618.

In 1990, the deduction reduced farm sole proprietors' aggregate out-of-pocket expenses for health insurance by approximately $52 million, a savings increase of nearly $23 million from the estimate for 1988. On average, the out-of-pocket savings on health insurance has risen steadily over the period, from about $88 to $121 per farmer-taxpayer.

Proposal Would Shift Responsibilities

Under the health care reform proposal, employers would generally be required to pay 80 percent of the average family health insurance for employees, with individual employees paying the remaining 20 percent. Self-employed individuals would be treated as employers and would be required to contribute a specified portion of any net self-employment income towards the "employer" share of their premiums as well as paying the "family" share. In addition, self-employed individuals with employees would be required to pay the employers' share of the premium for each of their workers.

Self-employed individuals *with no employees* would be able to deduct the entire amount of their health insurance premiums, provided no other limitations apply. Self-employed individuals *with employees* could deduct at least 80 percent of their own health insurance premiums, and possibly up to 100 percent if they chose to make an additional voluntary contribution towards employee premiums. As under current law, the deduction could not exceed an individual's earned income.

The self-employed as employers. About 46 percent of the nation's 2.1 million farmers hire migrant workers, independent contractors, and other individuals to work on their farms. Under the proposal, a self-employed individual's payment for the employer's share of their employees' premiums could be reduced by discounts available to small, low-wage firms.

Under the proposed reform, anyone working 120 or more hours per month would be considered a full-time employee. Those who work a minimum of 40 to 119 hours per month would be considered part-time, and the employer premium for part-time workers would be determined on a pro rata basis. For example, a farm proprietor with an employee who works 60 hours per month would pay half of the employer's share of the premium for the employee. Part-time employees would also be entitled to a pro rata share of any voluntary contributions made by employers toward full-time employees' premiums.

The self-employed as employees. Self-employed individuals who also work for other employers would, in general, be liable for less of the employer share of their own premium. Farm proprietors with off-farm jobs might pay little or nothing toward the employer share of their own premiums. The amount would depend on the number of hours worked per month and the number of months worked. For those who work part-time, their portion of the employer share would be prorated. For example, a farm proprietor who works 80 hours per month for an off-farm enterprise would be responsible for only one-third of the employer's portion of their premium, since their employer would be obligated to provide two-thirds of the payment.

About 37 percent of farm operators reported off-farm wage and salary income in 1987, according to USDA's Farm Costs and Returns Survey. For these individuals, the reduction in liability for the employer portion of their own premiums could reduce their overall expenditures on health insurance.

Premium discounts for small firms—and farm proprietors. The proposal contains discounts for small, low-wage firms that could significantly reduce the amount that self-employed individuals such as farm proprietors would have to pay for the employer's share of premiums for themselves and for their employees.

The proposal would limit the total amount that any employer would have to contribute toward employees' health insurance to 7.9 percent of payroll. In addition, a sliding scale, tied to the number of employees and the average wage in the firm, would be used to adjust the payroll cap. For small firms—defined as having fewer than 75 full-time-equivalent employees and with average wages below $24,000—the cap on premium contributions could be as low as 3.5 percent of payroll.

The average labor expense for the approximately 1 million farms with hired workers was only $13,318 in 1987, according to the U.S. Census of Agriculture. Labor expenses were generally higher than the U.S. average on fruit, vegetable, and poultry farms and lower than average for cash grain, cotton, and other livestock farms.. Only 1 percent of U.S. producers had more than 25 employees during any month of the year, according to USDA's 1989 Farm Costs and Returns Survey.

Eligibility for the deduction. Under current law, farm proprietors who work off the farm—either full-time or part-time—are eligible for the 25-percent deduction if their employer (or their spouse's employer) does not offer health insurance.

This analysis assumes that the health care deduction for self-employed individuals is available for 1994. The deduction expired as of December 31, 1993. However, given that the deduction has been extended each year from 1987 to 1992 and was extended retroactively for 1993, it is very likely that the deduction will also be extended for 1994.

Health Care Premium Deductions by Self-Employed Farmers Have Increased

Fiscal year	Farm sole proprietors				
	Farmers taking deduction		Total deductions	Average deduction	Share of all claimants
	1,000	*Percent*	*$ million*	*$*	*Percent*
1988	330	13.9	156	473	17
1989	391	16.5	216	551	17
1990	429	18.4	266	618	16

Rural Development

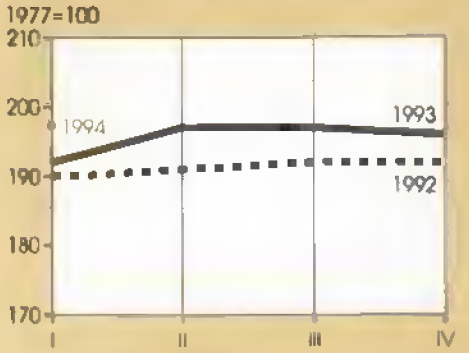
Under the reform proposal, farm proprietors who work off the farm full-time for any given month would not be eligible to claim the deduction for premium expenses incurred in that month. These individuals would have at least 80 percent of their premiums covered by their employers; their expenses for the family share of the premiums would not be deductible.

However, farm proprietors who currently cannot claim the deduction because they are covered under an employer-provided health plan—their own or their spouse's—would be eligible for the deduction, as long as they do not work full-time during the month. Under the proposal, these individuals would be able to deduct any payments made towards their own health insurance premiums, subject to other limitations.

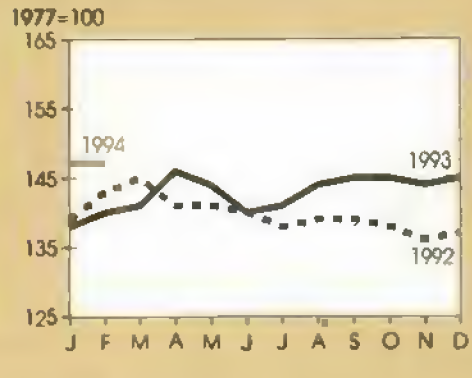
[Mike Compson (202) 219-0896] AO

Prime Indicators

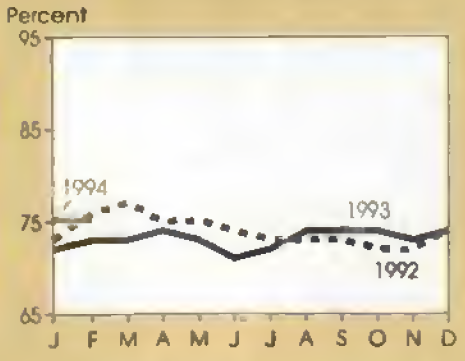
Index of prices paid by farmers



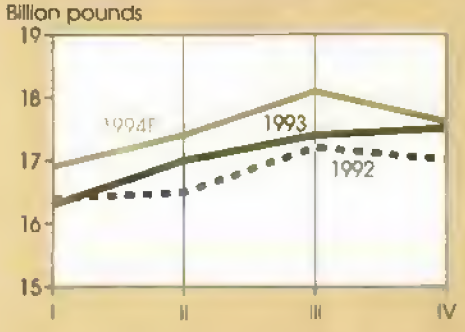
Index of prices received by farmers [1]



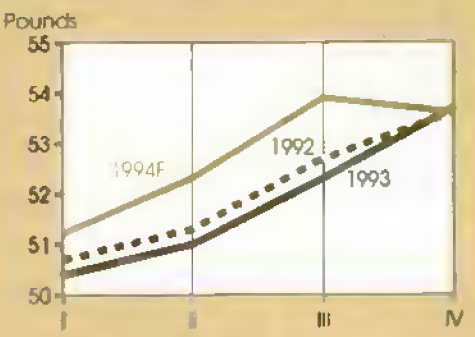
Ratio of prices received/prices paid



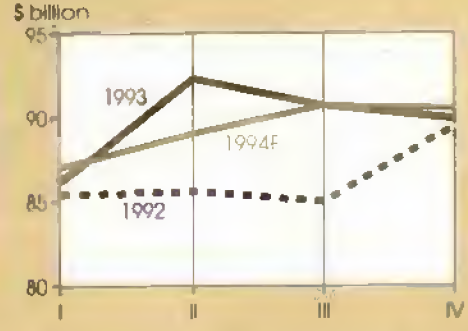
Total red meat & poultry production [2]



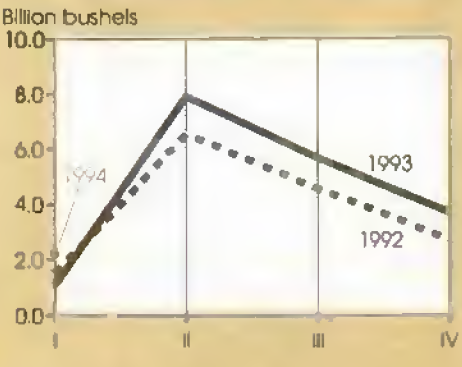
Red meat & poultry consumption, per capita [2,3]



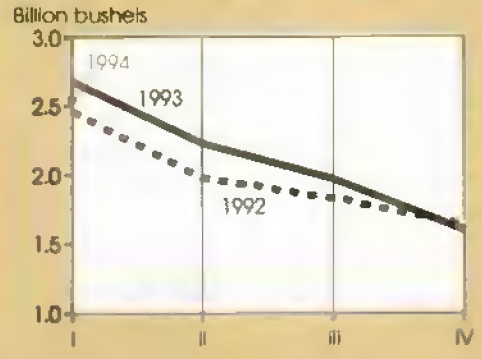
Cash receipts from livestock & products [4]



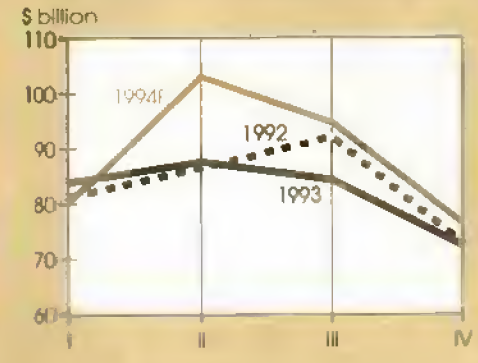
Corn beginning stocks [5]



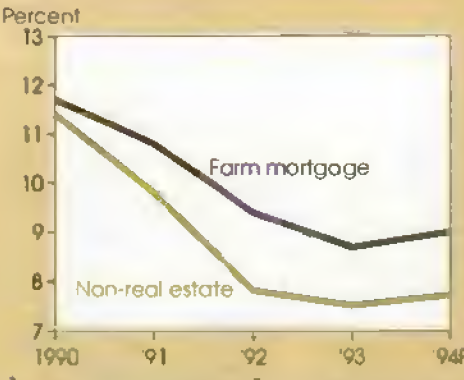
Corn disappearance [5]



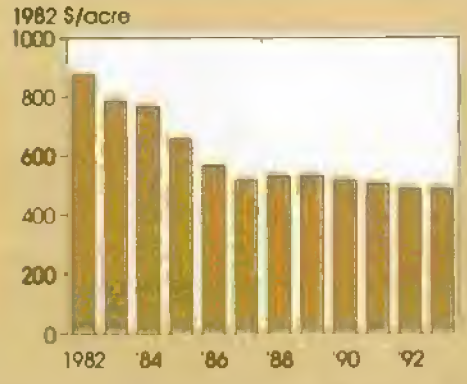
Cash receipts from crops [4]



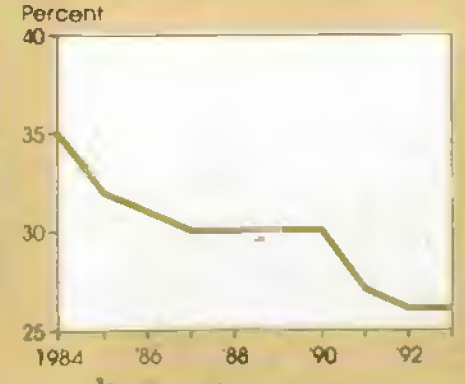
Farm loan interest rates



Average real value of farm real estate



Farm value/retail food costs



[1] For all farm products [2] Calendar quarters Future quarters are forecasts for livestock, corn, and cash receipts [3] Retail weight
[4] Seasonally adjusted annual rate. [5] I=Sept.-Nov.; II=Dec.-Feb.; III=Mar.-May.; IV=June-Aug. Marketing years ending with year indicated F=forecast

Special Article

Streamlining Farm Policy: The Revenue Guarantee Approach

Since the mid-1980's, farm policy has been leaning toward increased market orientation and reduced Federal expenditures. Most of the changes have involved modifications of current farm programs. But disenchantment with these programs, along with budgetary pressures, is prompting a search for new ideas, as well as reform of existing approaches. With the 1995 farm bill debate rapidly approaching, interest in alternatives is expected to intensify.

One idea gaining attention is a revenue (or income) guarantee. This option would generally involve guaranteeing a farmer's return per acre for a given crop at a prespecified level, and could streamline the current array of programs into one.

Most revenue guarantee designs involve a "revenue target," which may be a fixed revenue that does not necessarily change from year to year, or a moving average of past revenues. Under most designs, farmers would be guaranteed that revenue per acre would not fall below some fraction of that revenue target.

A number of questions arise in examining the concept of a revenue guarantee plan for crops: How do current programs enhance and protect farm income, and what are the sources of dissatisfaction with them? What does a revenue guarantee plan have to offer that's different? What would a revenue guarantee program look like? What are the challenges in implementing such a program?

Three Major Programs Support Price & Income

The *deficiency payment program* is the primary method of farm income support for program crops—wheat, feed grains, cotton, and rice—and accounts for over two-thirds of direct support to farmers. The program is voluntary, but in order for farmers to be eligible for deficiency payments, they must agree to comply with any acreage reduction program requirements (ARP's) and conservation compliance provisions.

In return, participating producers receive deficiency payments, based on a price trigger. Payments are triggered if the national average market price for a crop during a specified period falls below the crop's target price. More specifically, the payment rate to growers equals the difference between the target price and either the average market price or the crop's loan rate—whichever is higher. The amount of the deficiency payment is this payment rate multiplied by the farm's program yield and its eligible payment acres.

Between fiscal years 1985 and 1992, deficiency payments averaged $5.4 billion, and peaked at $6.3 billion in 1985. Deficiency payments have helped boost farm incomes, at times substantially. Nationally, returns per acre to participants in the commodity programs have been well above the returns received by nonparticipants. Participation in the 1986-92 programs for wheat has averaged about 85 percent of base acres nationally, and for corn, about 80 percent.

Due to budget pressures, several changes have been made to limit Federal deficiency payment exposure. For example, beginning in 1986, payment yields were largely frozen. Further, 1990 farm legislation reduced the proportion of acreage eligible for deficiency payments (although greater planting flexibility was allowed). Many farmers expect further cuts—and see the potential for lower deficiency payments as a threat to farm income support.

A second major current farm program is *multiple-peril crop insurance (MPCI)*. This program protects revenues from yield losses caused by natural disasters. Since the start of the program in 1938, drought has been by far the major cause of loss, accounting for about 55 percent of losses. Excess moisture has accounted for 16 percent, and frosts, freezes, hail, diseases, and insects have accounted for most of the remainder.

Under the MPCI program, farmers who have purchased insurance collect indemnity payments when their yields fall below a yield guarantee. The yield guarantee equals a farmer's produc-

tion history (usually based on 4-10 years of yields) multiplied by the farmer's choice of coverage—35, 50, 65, or the maximum of 75 percent. In the event of a loss, the farmer receives a payment (the price election) for every bushel that the yield falls below the yield guarantee.

Farmers' insurance premiums are subsidized at up to 30 percent by the Federal government. MPCI is the only Federal farm program for which producers pay a direct premium for risk protection, and is available for 50 crops, including all program crops and many specialty crops. Coverage is not, however, available for all crops in all counties.

Despite the premium subsidy, aggregate participation has not exceeded 40 percent. Some farmers indicate that coverage is too low relative to the premium charge. Others consider insurance that pays off only when yields fall below 75 percent of normal as inadequate. Critics also cite the possibility of qualifying for free disaster assistance as a deterrent to crop insurance purchase.

Ad hoc disaster assistance, which has been available to producers in 7 of the past 8 years, is the third major farm program that helps support farm income. Producers do not pay for disaster assistance, although Congress must pass, and the President must sign, legislation in order for a program to be in effect. When implemented, ad hoc assistance is available for nearly all crops, with payments made at a per-unit rate if a farmer's actual yield falls below a specified level.

Revenue Approach Would Integrate Programs

Currently, farmers must assess risks and determine how they will use the above-mentioned programs to protect themselves effectively against revenue shortfalls. Protection may be inadequate in years when yields fail and deficiency payments are small due to high prices. Conversely, benefits and government costs may be quite high in years when high yields give farmers large amounts of crops to sell, and when deficiency payments are large due to depressed market prices.

The revenue guarantee approach might temper these extremes, giving farmers more stable incomes from year to year. Interest in alternative safety nets, as well as in pilot programs to test new types of coverage, have stimulated discussion of revenue guarantee options. The revenue guarantee approach is generally envisioned as combining features of all three major farm programs—crop insurance, disaster assistance, and deficiency payments—into a single integrated program.

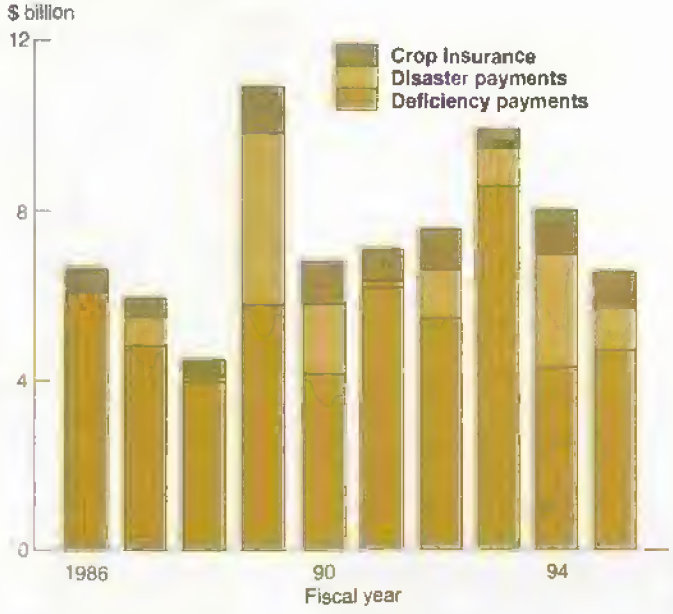
Under this approach, farmers would be protected from large declines in income below the revenue guarantee, regardless of whether the cause was low yields or low prices. In the case of a severe drought, a farmer could receive a potentially large revenue payment because a low yield would pull down the farmer's revenue, provided that a price increase did not boost revenue above the target level. Conversely, low prices would produce a similar result, unless high yields increased returns above the target. In short, farmers' income would not be left unprotected, because the program would directly address price declines and yield losses, and their combined effects on revenue.

The selected revenue target level will largely determine the extent to which revenues are stabilized. If the revenue target were set at a high level relative to market returns (that is, were designed to increase incomes), farm revenues would be stabilized to a great extent because farmers would generally receive the high level of the guarantee. If the target were set at a relatively low level, farm revenues may not be stabilized to a great extent because market returns would generally fluctuate above the target level. However, a safety net would still be provided.

A revenue guarantee program could be administered in a variety of ways. It could be similar to the current commodity program or disaster assistance system, in which the farmer does not pay a direct premium but must comply with program requirements. Or, it could incorporate an insurance approach, with farmers paying premiums that reflect their risks.

Approaches other than a revenue guarantee plan could also provide farmers with more comprehensive protection than current programs. The Secretary of Agriculture's crop insurance reform proposal, announced in March 1994, strengthens the links among current programs and enhances agriculture's income safety net. This proposal would reduce Congress's ability to pass ad hoc disaster assistance and would tie crop insurance more closely to deficiency payments.

Deficiency Payments Account for Over Two-Thirds of Direct Support to Farmers



1994 estimate, 1995 forecast.

Special Article

Crop Insurance Reform Proposed

Responding in part to low crop insurance participation, repeated passage of ad hoc disaster assistance, and large Federal outlays, the Secretary of Agriculture announced a proposed reform program for crop insurance in March 1994. This proposal would reduce the incentive for Congress to pass ad hoc disaster relief. Instead, catastrophic crop insurance coverage would reflect the Federal response to emergencies involving widespread crop loss.

The proposed catastrophic plan would protect farmers from yield losses of more than 50 percent at a payment rate of 60 percent of the expected market price—a level comparable to disaster relief programs in recent years. To receive coverage, a farmer would need to pay a nominal processing fee of $50 per crop per county, up to $100 per farmer. The processing fee may be waived for limited resource farmers. Farmers could purchase catastrophic coverage either through a private company or through a USDA county office.

Farmers would be able to purchase additional coverage providing higher yield or price protection levels for an added cost. Subsidies would be provided to encourage farmers to "buy up" to higher coverage levels. For crops not currently covered by crop insurance, a standing disaster program would exist, with payments triggered by area-wide losses.

To ensure widespread participation, coverage at the catastrophic level or above would be required for participants in the Federal programs or Farmers Home Administration programs. This linkage is expected to increase crop insurance participation from about 33 percent currently to about 80 percent of insurable acres.

The Federal Crop Insurance Corporation estimates that the new program would cost about $8.1 billion for fiscal years 1995 through 1999. This represents a 5-year savings of some $750 million, compared with the projected cost of the current Federal crop insurance program and the average annual cost for ad hoc disaster assistance over the past decade.

Iowa Study Team Proposes Moving-Average Revenue Target . . .

One revenue guarantee proposal attracting attention currently is the Iowa Farm Bill Study Team's "Revenue Assurance Program." This proposal would eliminate deficiency payments, crop insurance, and ad hoc disaster assistance payments. However, the government would continue to provide some level of price support through nonrecourse loans and the Farmer-Owned Reserve.

Under the plan, producers would receive free catastrophic coverage on the basis of a 5-year moving-average revenue for each crop (a 5-year average of yields multiplied by a 5-year average of prices). If per-acre revenue in a given year fell below 70 percent of the farmer's 5-year moving average of past revenues for the crop, a payment would make up the shortfall. Producers would have the option of buying additional insurance coverage above 70 percent.

Under the proposed Iowa plan, farm revenues would be bolstered in years of especially poor weather or low market prices. At the same time, farmers would have greater freedom to determine the crops planted, due to the elimination of commodity program requirements, including ARP's and base acres. Also, support could cover not only program crops but a wide variety of crops, including those that do not receive deficiency payments currently.

Some producers' revenues would be better protected than others under this plan. Prices and yields tend to move inversely to each other, with low yields often associated with high prices. In some areas the extent of negative correlation is stronger than in others. For example, in major production areas, widespread low yields tend to boost prices more than in areas where low yields have only a small effect on total U.S. production—and hence average prices—of a crop.

As a result, in areas with a strong negative correlation between prices and yields, and low year-to-year yield variability, the market is already working to stabilize income so the amount of stability added by a revenue guarantee plan may be small. This is because up and down movements in prices and yields would tend to offset each other in the revenue calculation, generally resulting in less frequent—and relatively small—revenue payments.

In contrast, producers who are located where the price-yield correlation is less strongly negative, and where yield variability is large, would have relatively more to gain. In this situation, low yields would more often be accompanied by smaller rises in prices, increasing the frequency and amount of payments.

Under the Iowa plan, program crop producers would not realize the income enhancement currently provided by deficiency payments, since support would be based only on market prices and yield. Also, producers would receive little revenue assistance following a sequence of years with both low prices and low yields, because the moving average on which the revenue target is based would be smaller.

A Fixed-Revenue Target Could Apply Instead . . .

Rather than using a moving-average approach to specify the revenue target, as discussed above, a fixed-revenue target could be established. The revenue target could take a variety of forms. For example, it could be based on the target price for the crop, multiplied by the program yield (either for the individual

or for an area). Payments would be made if the average price (for the U.S. or for the area), multiplied by the average yield (for the individual or for the area) fell below the target level, and the payments would raise per-acre revenue to the target level.

Under this type of program, use of target prices means that only program crops would be included for protection, unless special provisions were established to protect nonprogram crops. Instead of allowing payments on all planted acres, the current "payment acre" structure could be used to conserve taxpayer costs.

. . . Or a Production-Cost Target

The revenue target could alternatively be set to reflect the per-acre costs of producing the crop. Producers would be guaranteed that they would recoup at least their costs of production (COP) because a payment would be made if market returns fell below the COP target. Costs used in the guarantee specification could encompass variable, cash, or economic costs, and coverage could be at 100 percent or less of the specified cost of production.

As in other approaches, equity issues would arise. This approach would generally provide large payments to producers, particularly those in areas where costs are high relative to market returns. Farmers in areas with low costs relative to market returns would seldom receive payments, except in disaster years. In contrast, those in locations with high costs relative to market returns could benefit disproportionately.

Another consideration is that the planting incentives under this type of approach are not based on expected market prices during the crop year, but on relative production costs. As a result, farmers would not have a strong incentive to respond to market imbalances that favored production of one crop over another. (The targets under many other revenue-based designs, including those discussed previously, are also not based on expected market prices.)

More on revenue insurance programs and their impact . . .

How would a revenue insurance program affect:

- *farm income stability?*
- *Federal outlays?*

Economic Research Service analysts look at the numbers—in a **forthcoming report**, available next fall.

Watch Agricultural Outlook for details on ordering

Further, Federal outlays would likely be relatively high under this approach, and production might increase in higher cost areas. But despite these problems, protection to farmers, particularly in areas of high costs relative to market returns, would be considerable.

Challenges For Implementation

Should the revenue guarantee be through transfer payments or through insurance? A revenue guarantee program could be a pure transfer to farmers or could involve premiums for coverage, like the crop insurance program. Charging premiums would lower Federal outlays, with farmers and the Federal government sharing in the cost. Although Federal costs would be lower under such a strategy, a set of insurance problems would also arise.

One of the most difficult issues surrounding an insurance approach would involve accurately determining premium rates. Premium rates under revenue insurance would depend on prospective prices and yields relative to the revenue target. Historical yields are quite useful for projecting a producer's expected yields and yield variability. However, historical prices have been strongly influenced by commodity programs. As a result, historical price data do not necessarily provide the best indicator of expected price distributions in future years and may provide inaccurate predictions about the chances of loss within a revenue framework.

Another concern with an insurance approach to revenue protection is that participation could vary considerably from year to year. Participation would depend on premium rates and the level of the guaranteed revenue relative to the price outlook at signup. For example, with a given revenue target, an outlook that called for low prices—with normal or below-normal yields and hence a lower revenue projection— would result in a higher probability of collecting an indemnity than when the outlook is for high prices. Either premiums would need to be raised or participation and government costs would increase. On the other hand, if premiums became too high, participation would decline.

To address this issue, the premium subsidy could be higher in expected low-price years to keep premiums paid by producers at "reasonable" levels. Certainly, adjusting the premium subsidy would aid in maintaining participation—while keeping government outlays more "in check" than would occur if farmers did not pay for the program. Requiring multiyear signups would also keep participation more stable.

Insurance problems associated with the current crop insurance program, including adverse selection, would also arise under a revenue insurance approach. Adverse selection occurs because farmers know more about their own yield potential—and hence, likelihood of loss—than does the insurer. For instance, a farmer might choose to sign up in years when his or her soil moisture is low at the time of signup. As a result, the farmer correctly perceives his or her risk as larger than implied by the

Special Article

Canada Has Already Turned to a Revenue Approach

Canada is one of the first countries to offer a revenue insurance program, with the introduction of the Gross Revenue Insurance Plan (GRIP) in 1991. GRIP exists in all Canadian provinces with the exception of Newfoundland. It covers grains, oilseeds, and specialty crops such as peas and lentils. GRIP is funded by premiums paid by the Federal government, provincial governments, and participating producers. Specific yield and revenue designs differ across provinces, and are complemented by individual net income stabilization accounts (NISA).

Alberta and Manitoba. These Prairie provinces operate GRIP as it was originally introduced in 1991. A target revenue (TR) is calculated using a 15-year indexed moving average Price (IMAP) and a long-term average yield (LTAY). The TR is covered at 70 percent. Payments are crop specific under the Alberta and Manitoba GRIP programs. A producer who participates in both the revenue and crop insurance portions of the program, and who has a low yield, is eligible to receive a crop insurance payment. If his or her market returns, plus the crop insurance payment, are less than the TR, a revenue payment makes up the difference. A producer can sign up for either or both the crop insurance and revenue portions of the program.

Saskatchewan. This province modified its GRIP program in 1992 to reduce budget exposure, lessen the possibility of moral hazard, and promote greater market orientation. Payments are calculated on a "risk area" basis, in which a producer receives a payment if the sum of the market returns of the GRIP-eligible crops grown in the risk area are less than the target revenue for the risk area. The farmer receives the same per-acre payment regardless of which GRIP-eligible crop he planted. This per-acre payment is adjusted by the producer's own LTAY and the long-term area yield.

Ontario. This province's Market Revenue Program differs from the Alberta and Manitoba GRIP programs since current yields are not part of the market revenue calculation. Instead, payments for each crop are based on the price shortfall between 80 percent of the IMAP and the market price, multiplied by 80 percent of the producer's LTAY.

Quebec. This province's GRIP program is similar to the Alberta and Manitoba programs, but the coverage level is at 85 to 90 percent. Also, a long-term area yield is used in the revenue payment calculation, instead of the farmer's own LTAY.

Saskatchewan has opted out of GRIP beginning with the 1995/96 crop year because of high budget outlays and producer dissatisfaction with the provincial program. Manitoba originally stated its intent to leave the program in 1996 but now has planned to stay with GRIP until a new safety net program is introduced.

Canada is considering a "whole-farm" program that may eventually replace GRIP. The motivation for this change is the desire for a stabilization program which is GATT-legal, production-neutral, and involves less budgetary exposure. Under such a program, a farmer could receive a payment if the farm's income fell below a predetermined level. This type of approach could include not only crops, but also livestock, processing, and other activities.

Canada's net income stabilization account (NISA) uses this principle, and is currently in place for 1993/94. NISA operates through individual, interest-bearing income stabilization accounts, and has been in operation since 1991. Farmers can contribute a portion of their eligible sales, with matches provided by the government up to a maximum level. Withdrawals occur under two triggers: one is based on the year's income relative to a 5-year moving average; the other is based on minimum income.
[Mark Simone (202) 219-0689]

premium assessed, and buys insurance based on that knowledge. In this situation, the insurer holds a disproportionate number of high-risk policies.

Under a revenue insurance plan, particularly one in which producers are guaranteed a revenue regardless of their effort to produce a crop, "moral hazard" may arise. For example, suppose a farmer planted a crop, but neglected to fertilize or protect it from pests, and consequently realized a low yield and small revenue. In this situation, the producer could collect a large revenue payment year after year. If the target were fixed and did not respond to changes in a producer's actions, moral hazard would be a particular problem. If the target were based on a moving average of a producer's past revenues, a producer's actions would affect expected future returns under the program, and moral hazard would be lessened.

Should individual or area-based revenues be used to determine payments? Because of problems such as adverse selection and moral hazard, some observers believe that a revenue guarantee program should be based on area revenues—rather than individual revenues—in order to be viable.

Under an area revenue guarantee approach, producers would receive payment if the area revenue (say, that of a county) fell below an area-based target. The area revenue would be based on

the average price for the area and the NASS average area yield. Under an area-based approach to revenue insurance, each farmer would have little influence over the county yield, meaning that he or she would have no better ability to judge the fairness of premium rates than the insurer. As a result, problems of adverse selection would be reduced. And because a farmer could not influence his or her indemnity by changing production or management practices, moral hazard would also be reduced.

However, there are also drawbacks to an area-based approach. Because payments would be based on area losses, an individual farmer's revenue loss may not be covered. That is, a farmer could have a low yield and not receive a payment unless the yield at the county level was also low. Revenue protection would be strongest for a farmer whose yields moved up and down closely with the area's yields.

A mixture of area and individual-farm revenue estimates might be used in determining payments. By using area or national prices in calculating revenues, each farmer would be left with incentives to get the optimum price. Perhaps an area price combined with a weighted average of individual and area yields would be a satisfactory solution.

Pros & Cons Of Revenue Guarantee

As indicated above, a revenue guarantee approach to farm income protection raises issues of its own—although a different set from those that arise in current farm programs. While a revenue guarantee program would likely start on a pilot basis alongside current programs, and could continue as an alternative rather than a replacement, it has the potential for streamlining revenue protection within one program. In addition, revenue has a more direct effect on farmers' well-being than prices or yields individually. Incomes could be stabilized more effectively than under current programs.

Replacing several programs with one program could reduce administrative costs and would simplify participation for farmers. Thus, a revenue guarantee approach might reduce transaction costs to farmers—as well as to the Federal government. However, costs to the Federal government would depend on the number of crops covered, participation rates, and other factors.

Certainly, the extent to which a revenue guarantee approach affects farmers, consumers, and taxpayers depends not only on the specific program structure, but also on the specification of the target revenue level. For instance, a revenue guarantee program would not necessarily reduce Federal outlays for farm programs, nor would it necessarily increase farm incomes on average, and it could change the distribution of government payments. Overall, the effect on government outlays would depend largely on the level of the target compared with actual farm revenues.

The level of farmers' interest in a revenue guarantee approach is largely unknown. Many producers of major commodities would not likely want to give up deficiency payments for a revenue guarantee, particularly if premium payments were required or if the level of the guarantee were relatively low. Some farmers may prefer to choose their own mix of price and yield protection, rather than take the mix offered in a revenue guarantee package.

With Federal budgetary pressures on the rise, maintaining the current level of transfer payments to farmers will likely be more difficult in the future. Tight budgets combined with the growing diversity of the farm sector—encompassing different crops, sizes of farms, sources of income, and distribution of resources—means that traditional programs may no longer be as effective in protecting farmers' incomes. Some type of program that directly guarantees revenues may be preferable.
[Joy Harwood (202) 219-0840, Dick Heifner (202) 219-0868, Keith Coble, Robert Dismukes, and Sam Evans (202) 219-0840] AO

Upcoming Reports from USDA's Economic Research Service

The following reports or summaries will be issued at 3 p.m. Eastern time on the release dates shown.

April

5	Tobacco*
13	Cotton and Wool Update
	Hog Outlook
14	Feed Update
	Oil Crops Update
20	Agricultural Outlook*
21	Dairy Outlook
	U.S. Agricultural Trade Update
22	Rice*
	Livestock, Dairy and Poultry
27	Vegetables and Specialties*

*Release of summary

Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1993					1994			
	I	II	III	IV	Annual	I F	II F	III F	Annual F
Prices received by farmers (1977=100)	138	146	141	145	143	147	—	—	—
Livestock & products	159	167	161	159	162	159	—	—	—
Crops	117	125	121	130	123	135	—	—	—
Prices paid by farmers, (1977=100)									
Production items	176	180	179	181	179	182	—	—	—
Commodities & services, interest, taxes, & wages	192	196	195	196	195	197	—	—	—
Cash receipts ($ bil.) 1/	170	180	175	162	171	—	—	—	—
Livestock ($ bil.)	88	92	91	90	90	—	—	—	—
Crops ($ bil.)	84	88	84	72	82	—	—	—	—
Market basket (1982–84=100)									
Retail cost	141	142	142	144	142	—	—	—	—
Farm value	105	107	104	104	105	—	—	—	—
Spread	160	160	162	165	162	—	—	—	—
Farm value/retail cost (%)	26	27	26	25	26	—	—	—	—
Retail prices (1982–84=100)									
Food	140	141	141	142	141	—	—	—	—
At home	139	140	140	141	140	—	—	—	—
Away from home	142	143	144	144	143	—	—	—	—
Agricultural exports ($ bil.) 2/	11.4	10.1	9.2	11.9	42.6	11.4	10.0	9.2	42.5
Agricultural imports ($ bil.) 2/	6.4	6.3	5.7	6.6	24.5	6.2	5.9	5.8	24.5
Commercial production									
Red meat (mil. lb.)	9,715	9,993	10,362	10,499	40,569	10,102	10,098	10,623	41,177
Poultry (mil. lb.)	6,542	6,987	7,032	6,972	27,533	6,850	7,360	7,430	28,855
Eggs (mil. doz.)	1,461	1,474	1,490	1,535	5,960	1,485	1,490	1,500	6,016
Milk (bil. lb.)	37.6	39.4	37.4	36.6	151.0	37.6	39.4	37.7	151.8
Consumption, per capita									
Red meat and poultry (lb.)	50.4	51.0	52.3	53.7	207.5	51.2	52.3	53.9	211.0
Corn beginning stocks (mil. bu.) 3/	1,100.3	7,906.4	5,678.2	3,709.4	—	2,113.0	—	—	—
Corn use (mil. bu.) 3/	2,676.9	2,229.2	1,970.8	1,599.3	8,476.1	2,526.7	—	—	7,675.0
Prices 4/									
Choice steers—Neb. Direct ($/cwt)	80.65	79.78	73.77	71.23	76.36	73–74	72–78	70–76	71–77
Barrows & gilts—IA, So. MN ($/cwt)	44.83	47.59	48.05	43.93	46.1	46–47	48–52	46–52	45–51
Broilers—12-city (cts./lb.)	53.1	55.8	56.9	54.9	55.2	54–55	52–58	52–58	51–57
Eggs—NY gr. A large (cts./doz.)	75.6	73.4	69.6	71.5	72.5	71–72	62–68	66–72	67–73
Milk—all at plant ($/cwt)	12.33	12.90	12.67	13.43	12.83	13.35–13.65	12.70–13.70	12.25–13.25	12.70–13.50
Wheat—KC HRW ordinary ($/bu.)	3.82	3.48	3.36	3.69	3.59	—	—	—	—
Corn—Chicago ($/bu.)	2.18	2.27	2.36	2.72	2.38	—	—	—	—
Soybeans—Chicago ($/bu.)	5.63	5.95	6.66	6.48	6.18	—	—	—	—
Cotton—Avg. spot 41–34 (cts./lb.)	55.2	55.6	53.8	56.8	55.4	—	—	—	—

	1985	1986	1987	1988	1989	1990	1991	1992	1993 F
Farm real estate values 5/									
Nominal ($ per acre)	713	640	599	632	661	668	681	684	700
Real (1982 $)	657	568	518	530	533	517	505	487	486

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.–Sept. fiscal years ending with year indicated. 3/ Sept.–Nov. first quarter; Dec.–Feb. second quarter; Mar.–May third quarter; Jun.–Aug. fourth quarter; Sept.–Aug. annual. Use includes exports & domestic disappearance. 4/ Simple averages, Jan.–Dec. 5/ 1990–93 values as of January 1. 1986–89 values as of February 1. 1985 values as of April 1. F = forecast, — = not available.

U.S. & Foreign Economic Data

Table 2.—U.S. Gross Domestic Product & Related Data

	Annual			1992	1993			
	1991	1992	1993	IV	I	II	III	IV,R
	$ billion (quarterly data seasonally adjusted at annual rates)							
Gross domestic product	5,722.9	6,038.5	6,379.4	6,194.4	6,261.6	6,327.6	6,395.9	6,532.4
Gross national product	5,737.1	6,045.8	—	6,191.9	6,262.1	6,327.1	6,402.3	—
Personal consumption expenditures	3,906.4	4,139.9	4,391.9	4,256.2	4,296.2	4,359.9	4,419.1	4,492.5
Durable goods	457.8	497.3	537.9	516.6	515.3	531.6	541.9	562.6
Nondurable goods	1,257.9	1,300.9	1,351.0	1,331.7	1,335.3	1,344.8	1,352.4	1,371.5
Clothing & shoes	213.0	228.2	237.3	236.1	233.1	235.2	238.2	242.9
Food & beverages	621.4	633.7	658.6	647.6	648.2	654.1	660.0	672.2
Services	2,190.7	2,341.6	2,503.0	2,407.9	2,445.5	2,483.4	2,524.8	2,558.4
Gross private domestic investment	736.9	796.5	892.8	833.3	874.1	874.1	884.0	939.0
Fixed investment	745.5	789.1	875.8	821.3	839.5	861.0	876.3	926.4
Change in business inventories	–8.6	7.3	17.0	12.0	34.6	13.1	7.7	12.6
Net exports of goods & services	–19.6	–29.6	–63.2	–38.8	–48.3	–65.1	–71.9	–67.6
Government purchases of goods & services	1,099.3	1,131.8	1,157.9	1,143.8	1,139.7	1,158.6	1,164.8	1,168.5
	1987 $ billion (quarterly data seasonally adjusted at annual rates)							
Gross domestic product	4,861.4	4,986.3	5,137.7	5,068.3	5,078.2	5,102.1	5,138.3	5,232.1
Gross national product	4,874.5	4,994.0	—	5,068.4	5,080.7	5,104.1	5,145.8	—
Personal consumption expenditures	3,258.6	3,341.8	3,453.7	3,397.2	3,403.8	3,432.7	3,469.6	3,508.6
Durable goods	426.6	456.6	490.1	473.4	471.9	484.2	493.1	511.1
Nondurable goods	1,048.2	1,062.9	1,088.7	1,081.8	1,076.0	1,083.1	1,093.0	1,102.7
Clothing & shoes	184.7	193.7	199.4	200.0	194.8	197.8	200.6	204.5
Food & beverages	518.7	520.5	531.4	529.3	526.7	528.6	532.6	537.8
Services	1,783.8	1,822.3	1,874.9	1,842.0	1,855.9	1,865.4	1,883.5	1,894.8
Gross private domestic investment	675.7	732.9	821.4	763.0	803.0	803.6	813.4	865.5
Fixed investment	684.1	726.4	805.8	754.3	773.7	790.6	806.9	852.2
Change in business inventories	–8.4	6.5	15.5	8.7	29.3	13.0	6.5	13.4
Net exports of goods & services	–19.1	–33.6	–76.4	–38.8	–59.9	–75.2	–86.3	–84.1
Government purchases of goods & services	946.3	945.2	939.0	946.9	931.3	941.1	941.7	942.0
GDP implicit price deflator (% change)	3.9	2.9	2.6	3.3	3.6	2.3	1.6	1.3
Disposable personal income ($ bil.)	4,230.5	4,500.2	4,707.4	4,657.6	4,597.5	4,692.2	4,723.7	4,816.0
Disposable per. income (1987 $ bil.)	3,529.0	3,632.5	3,701.7	3,717.6	3,642.6	3,694.4	3,708.7	3,761.3
Per capita disposable per. income ($)	16,741	17,615	18,228	18,153	17,876	18,196	18,265	18,571
Per capita dis. per. income (1987 $)	13,965	14,219	14,334	14,490	14,163	14,326	14,341	14,504
U.S. population, total, incl. military abroad (mil.) 1/	252.6	255.5	258.2	256.5	257.2	257.8	258.5	259.2
Civilian population (mil.) 1/	250.5	253.5	256.4	254.6	255.3	256.0	256.7	257.5

	Annual			1993				1994
	1991	1992	1993	Jan	Oct	Nov	Dec	Jan P
	Monthly data seasonally adjusted							
Industrial production (1987=100)	104.1	106.5	110.9	109.2	111.9	112.8	113.9	114.4
Leading economic indicators (1987=100)	97.1	98.1	98.8	98.9	99.1	99.5	100.2	100.5
Civilian employment (mil. persons) 2/	116.9	117.6	119.3	118.2	119.9	120.3	120.7	122.0
Civilian unemployment rate (%) 2/	6.6	7.3	6.7	7.1	6.7	6.5	6.4	6.7
Personal income ($ bil. annual rate)	4,850.9	5,144.9	5,388.9	5,225.7	5,480.8	5,514.4	5,550.2	5,534.9
Money stock–M2 (daily avg.) ($ bil.) 3/	3,455.3	3,509.0	3,565.8	3,502.8	3,547.3	3,558.8	3,565.8	3,572.4
Three–month Treasury bill rate (%)	5.42	3.45	3.02	3.06	3.04	3.12	3.08	3.02
AAA corporate bond yield (Moody's) (%)	8.77	8.14	7.22	7.91	6.67	6.93	6.93	6.92
Housing starts (1,000) 4/	1,014	1,200	1,285	1,170	1,409	1,406	1,571	1,294
Auto sales at retail, total (mil.)	8.4	8.4	8.7	8.7	9.0	9.0	8.8	9.2
Business inventory/sales ratio	1.54	1.50	1.46	1.46	1.45	1.44	1.43	—
Sales of all retail stores ($bil.) 5/	1,865.8	1,962.4	2,086.4	169.2	178.5	179.8	182.0	181.0
Nondurable goods stores ($ bil.)	1,211.6	1,257.3	1,303.3	106.8	110.0	110.1	110.9	111.0
Food stores ($ bil.)	376.9	384.0	394.0	32.4	33.3	33.4	33.6	33.6
Eating & drinking places ($ bil.)	196.9	201.9	212.7	17.2	18.1	18.1	18.3	18.1
Apparel & accessory stores ($ bil.)	97.5	105.0	107.0	9.1	9.1	9.1	9.0	8.9

1/ Population estimates based on 1990 census. 2/ Data for 1994 are not directly comparable with data for 1993 and earlier years. 3/ Annual data as of December of the year listed. 4/ Private, including farm. 5/ Annual total. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 219–0313.

Table 3.—World Economic Growth

	1984	1985	1986	1987	1988	1989	1990	1991	1992 E	1993 F	1994 F	1995 F	Average 1984–93
	Percent change in real GDP												
World	4.3	3.3	2.7	3.1	4.4	3.3	2.2	0.7	1.9	1.6	2.8	3.2	2.8
World, less U.S.	3.6	3.4	2.7	3.1	4.6	3.6	2.7	1.2	1.7	1.1	2.3	3.3	2.8
Developed	4.3	3.2	2.7	3.1	4.4	3.3	2.4	0.9	1.7	1.0	2.1	2.7	2.7
Developed, less U.S.	3.2	3.4	2.7	3.2	4.5	3.6	3.5	1.4	1.1	–0.3	1.3	2.5	2.6
United States	6.0	3.0	2.6	3.0	3.9	2.6	0.8	–0.7	2.6	2.9	3.5	3.0	2.7
Canada	6.4	4.7	3.3	4.1	4.7	2.5	0.4	–1.7	0.7	2.5	3.7	4.1	2.8
Japan	4.3	5.0	2.7	4.1	6.2	4.7	5.2	4.4	1.3	–0.5	0.5	2.3	3.7
Western Europe	2.4	2.5	2.7	2.6	3.7	3.2	2.8	0.2	1.0	–0.5	1.4	2.5	2.1
European Union	2.3	2.4	2.7	2.7	3.9	3.3	2.9	0.4	1.1	–0.3	1.4	2.5	2.1
Germany	2.8	1.9	2.2	1.4	3.7	3.3	2.9	0.6	2.1	–1.3	0.8	2.2	1.9
Central Europe	3.5	2.0	3.0	1.5	2.1	–0.3	–8.7	–13.8	–10.2	1.4	4.3	4.5	–2.0
Former Soviet Union	4.1	1.7	3.6	2.8	1.5	0.8	–5.8	–12.7	–17.5	–13.3	–6.8	0.5	–3.5
Developing	4.4	3.9	3.4	4.1	4.6	3.8	3.7	3.8	5.4	5.3	5.4	5.4	4.2
Asia	7.7	6.4	6.6	7.8	9.5	5.8	6.3	5.2	7.7	7.0	7.0	6.8	7.0
Pacific–Asia	9.4	6.7	7.3	9.0	9.5	6.1	6.6	6.4	9.0	8.1	7.9	7.3	7.8
China	14.4	12.3	8.2	11.0	10.7	4.3	5.4	6.4	12.8	11.0	10.0	8.2	9.6
South Asia	3.9	5.6	4.9	4.8	6.4	5.1	5.5	1.8	4.0	3.9	4.3	5.5	4.9
India	3.7	5.4	4.8	4.7	10.3	5.4	5.6	1.2	4.2	3.8	4.1	5.5	4.9
Latin America	3.9	3.3	4.5	3.2	0.6	1.3	–0.1	3.1	2.2	3.3	4.5	4.8	2.5
Mexico	3.7	2.7	–3.9	1.8	1.2	3.4	4.5	3.6	2.6	0.4	3.0	4.0	2.0
Caribbean/Central	0.5	2.2	2.1	2.8	–0.6	2.1	1.4	0.1	0.2	2.2	2.0	2.2	1.3
South America	4.1	4.0	7.1	3.5	0.4	0.5	–1.7	3.0	1.9	4.2	5.1	5.0	2.7
Brazil	5.4	7.9	8.0	3.3	–0.2	3.3	–4.2	1.2	–0.2	4.8	5.6	5.5	2.9
Middle East	0.5	–0.6	–6.9	–2.0	–2.1	2.8	3.2	1.9	7.5	5.6	3.8	3.9	1.0
Africa	1.0	3.0	2.4	0.4	2.7	3.0	1.9	2.1	1.2	2.1	2.4	2.6	2.0
North Africa	2.7	3.1	0.4	–0.1	1.3	2.9	1.8	2.8	1.4	1.6	2.3	2.7	1.8
Sub–Sahara	–0.1	2.9	3.8	0.8	3.7	3.1	2.0	1.6	1.1	2.3	2.5	2.6	2.1
Mid–East & N. Africa	1.1	0.5	–4.7	–1.4	–1.1	2.8	2.8	2.2	5.7	4.5	3.2	3.6	1.2

E = estimate. F = forecast.

Information contact: Alberto Jerardo, (202) 219–0782.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

	Annual			1993					1994	
	1991	1992	1993 P	Feb	Sept	Oct	Nov	Dec	Jan R	Feb P
	1977 = 100									
Prices received										
All farm products	146	139	143	140	145	145	144	145	147	147
All crops	129	121	123	118	128	130	128	133	135	134
Food grains	115	139	129	134	124	130	143	150	149	148
Feed grains & hay	117	116	115	106	113	118	125	133	136	137
Feed grains	115	114	110	101	109	113	121	131	133	134
Cotton	108	88	89	89	86	87	89	94	105	109
Tobacco	161	154	154	179	155	157	162	162	162	168
Oil–bearing crops	91	86	95	89	97	94	98	101	106	104
Fruit, all	265	175	174	132	258	285	183	166	150	153
Fresh market 1/	289	179	181	130	284	317	192	171	152	156
Commercial vegetables	135	156	158	178	147	124	139	168	169	157
Fresh market	140	156	166	193	151	120	141	179	177	161
Potatoes & dry beans	141	124	151	134	131	130	164	158	157	164
Livestock & products	161	157	162	162	160	159	158	156	159	160
Meat animals	186	176	183	187	181	177	173	170	175	177
Dairy products	128	135	132	127	131	135	140	140	141	139
Poultry & eggs	124	117	127	121	126	128	129	127	124	127
Prices paid										
Commodities & services,										
interest, taxes, & wage rates	187	189	195	192	195	196	196	196	197	197
Production items	172	173	178	176	179	181	181	181	182	182
Feed	123	123	124	—	—	127	—	—	138	—
Feeder livestock	214	202	216	—	—	216	—	—	211	—
Seed	163	162	169	—	—	169	—	—	171	—
Fertilizer	134	131	128	—	—	127	—	—	127	—
Agricultural chemicals	151	159	165	—	—	166	—	—	166	—
Fuels & energy	203	199	201	—	—	204	—	—	189	—
Farm & motor supplies	157	160	160	—	—	159	—	—	159	—
Autos & trucks	244	258	272	—	—	278	—	—	278	—
Tractors & self–propelled machinery	211	219	227	—	—	237	—	—	237	—
Other machinery	226	233	243	—	—	248	—	—	248	—
Building & fencing	146	150	159	—	—	160	—	—	160	—
Farm services & cash rent	171	172	174	—	—	174	—	—	175	—
Int. payable per acre on farm real estate debt	137	129	123	—	—	123	—	—	130	—
Taxes payable per acre on farm real estate	164	171	180	—	—	180	—	—	189	—
Wage rates (seasonally adjusted)	200	209	217	—	—	206	—	—	205	—
Production items, interest, taxes, & wage rates	175	178	178	—	—	178	—	—	180	—
Ratio, prices received to prices paid (%) 2/	77	74	73	73	74	74	73	74	75	75
Prices received (1910–14=100)	665	638	653	641	661	662	656	662	672	673
Prices paid, etc. (parity index) (1910–14=100)	1,285	1,303	1,340	—	—	1,347	—	—	1,357	—
Parity ratio (1910–14=100) (%)2/	51	49	49	—	—	49	—	—	48	—

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised P = preliminary. — = not available.

Information contact: Ann Duncan (202) 219–0313.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1993					1994	
	1991	1992	1993 P	Feb	Sept	Oct	Nov	Dec	Jan R	Feb P
CROPS										
All wheat ($/bu.)	3.00	3.24	3.20	3.33	3.11	3.22	3.47	3.60	3.57	3.52
Rice, rough ($/cwt)	7.58	5.89	8.50	8.06	5.21	6.10	8.08	8.91	8.98	9.35
Corn ($/bu.)	2.37	2.07	2.60	2.00	2.21	2.29	2.45	2.67	2.70	2.73
Sorghum ($/cwt)	4.02	3.38	4.38	3.32	3.69	3.81	4.23	4.54	4.70	4.66
All hay, baled ($/ton)	71.20	74.30	81.00	77.70	77.60	82.50	83.60	84.20	85.70	86.90
Soybeans ($/bu.)	5.58	5.56	6.50	5.56	6.21	6.01	6.32	6.64	6.72	6.84
Cotton, upland (cts./lb.)	56.8	53.7	6/ 53.3	53.8	51.9	52.8	53.9	57.1	63.7	66.2
Potatoes ($/cwt)	4.96	5.52	6.22	5.29	5.10	5.01	6.40	8.12	6.05	6.40
Lettuce ($/cwt) 2/	11.40	12.40	16.00	18.80	16.80	12.20	10.70	8.93	8.03	10.70
Tomatoes fresh ($/cwt) 2/	31.80	35.80	31.60	21.90	29.80	20.20	32.30	57.50	41.10	23.50
Onions ($/cwt)	12.50	13.00	15.80	14.00	13.50	12.00	17.20	24.10	31.70	34.10
Dry edible beans ($/cwt)	15.60	19.90	23.50	20.70	21.30	22.90	26.30	24.90	26.60	26.40
Apples for fresh use (cts./lb.)	25.1	19.2	—	16.7	26.5	22.4	20.5	19.0	19.1	18.7
Pears for fresh use ($/ton)	385.00	378.00	371.00	417.00	400.00	391.00	361.00	323.00	280.00	256.00
Oranges, all uses ($/box) 3/	8.79	5.50	3.11	2.51	10.52	11.87	5.25	3.95	3.91	4.14
Grapefruit, all uses ($/box) 3/	5.55	6.23	2.60	2.56	3.51	8.13	4.19	4.35	3.20	3.20
LIVESTOCK										
Beef cattle ($/cwt)	72.90	71.30	73.30	75.80	71.40	69.10	69.30	68.50	70.00	69.10
Calves ($/cwt)	99.90	89.40	95.80	96.00	93.30	93.80	91.50	92.60	94.00	94.30
Hogs ($/cwt)	48.80	42.10	45.40	44.00	47.80	47.00	42.80	40.80	43.50	47.30
Lambs ($/cwt)	52.50	60.80	64.50	72.70	64.70	64.50	65.80	66.00	60.80	60.00
All milk, sold to plants ($/cwt)	12.27	13.15	12.83	12.30	12.70	13.10	13.80	13.60	13.70	13.50
Milk, manuf. grade ($/cwt)	11.05	11.91	11.77	10.90	11.90	12.40	12.70	12.50	12.30	12.10
Broilers (cts./lb.)	31.0	30.8	34.2	31.8	36.5	35.1	34.7	33.6	33.4	34.0
Eggs (cts./doz.) 4/	66.0	56.4	62.9	61.5	56.1	60.0	62.6	63.1	61.9	63.7
Turkeys (cts./lb.)	37.7	37.6	38.9	34.8	40.4	43.1	42.9	40.9	36.8	37.1
Wool (cts./lb.) 5/	55.0	74.0	50.0	43.7	37.8	51.8	50.6	38.1	7/	7/

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns. 4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average local market price, excluding incentive payments. 6/ Average for Aug. 1 - Dec. 1. 7/ Monthly prices discontinued. P = preliminary. R = revised. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1993							1994	
	1993	Feb	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
					1982-84=100					
Consumer Price Index, all items	144.5	143.1	144.4	144.8	145.1	145.7	145.8	145.8	146.2	146.7
Consumer Price Index, less food	145.1	143.7	145.2	145.6	145.1	146.4	146.6	146.4	146.6	147.3
All food	140.9	139.9	140.3	140.8	141.1	141.6	141.9	142.7	143.7	142.9
Food away from home..	143.2	142.2	143.4	143.6	143.8	144.0	144.2	144.3	144.5	144.6
Food at home	140.1	139.1	139.1	139.7	140.0	140.8	141.2	142.3	143.8	142.6
Meats 1/	134.6	132.1	135.5	135.6	135.5	135.9	136.3	135.9	136.1	136.0
Beef & veal	137.1	135.6	137.4	137.4	137.0	137.2	138.0	137.7	137.3	136.9
Pork	131.7	127.2	134.2	133.8	134.6	134.6	134.4	133.1	133.9	134.1
Poultry	136.9	133.1	136.0	137.5	138.0	139.2	139.7	141.1	140.6	140.4
Fish	156.6	157.5	153.2	154.1	155.4	157.4	158.9	158.7	163.2	160.9
Eggs	117.1	115.6	115.1	117.4	113.4	114.9	118.0	116.0	118.5	117.4
Dairy products 2/	129.4	128.8	130.2	130.5	129.6	129.5	129.5	130.2	131.6	131.8
Fats & oils 3/	130.0	130.7	130.4	130.1	130.0	130.0	129.2	129.4	131.3	131.5
Fresh fruit	188.8	187.0	178.7	184.7	193.3	197.7	194.4	205.4	207.2	194.8
Processed fruit	132.3	134.5	131.0	132.2	132.4	132.8	133.4	133.7	134.6	133.0
Fresh vegetables	168.4	171.1	155.8	156.1	157.4	157.7	166.1	174.9	181.7	168.1
Potatoes	154.8	138.9	165.2	165.8	156.1	152.1	158.3	165.0	169.4	171.3
Processed vegetables	130.8	128.9	131.2	131.4	130.9	131.7	131.7	132.8	135.8	136.1
Cereals & bakery products	156.6	154.9	157.2	157.5	157.7	158.1	157.9	158.9	160.3	161.3
Sugar & sweets	133.4	133.3	133.2	133.7	133.3	134.1	133.7	133.3	134.9	135.6
Beverages, nonalcoholic	114.8	115.1	114.4	114.1	113.8	115.4	115.4	114.8	116.1	116.0
Apparel										
Apparel, commodities less footwear	131.9	131.9	128.9	130.0	133.0	134.7	134.6	130.3	127.5	130.1
Footwear	125.9	125.2	123.9	123.5	126.2	127.3	127.4	125.8	125.9	125.9
Tobacco & smoking products	228.4	235.6	235.8	227.9	215.1	214.0	214.5	215.5	217.8	217.4
Beverages, alcoholic	149.6	149.1	149.8	149.7	149.9	150.1	150.0	150.3	151.0	151.1

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 219-0313.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

	Annual			1993						1994
	1990	1991	1992	Jan	Aug	Sept R	Oct	Nov	Dec	Jan
					1982 = 100					
All commodities	116.3	116.5	117.2	118.0	118.7	118.7	119.1	118.9	118.4	119.0
Finished goods 1/	119.2	121.7	123.2	124.2	124.2	123.8	124.7	124.4	124.1	124.4
All foods 2/	123.2	122.2	120.9	121.9	123.2	123.4	123.4	125.2	125.9	125.5
Consumer foods	124.4	124.1	123.3	124.3	125.4	125.7	125.5	126.7	127.2	127.1
Fresh fruit & melons	118.1	129.9	84.0	80.0	84.7	92.3	88.6	90.3	93.7	81.7
Fresh & dried vegetables	118.1	103.8	115.0	132.1	117.6	116.7	103.2	144.9	160.1	143.0
Dried fruit	106.7	111.8	114.6	116.3	118.1	117.8	121.1	120.8	121.8	121.2
Canned fruit & juice	127.0	128.6	134.5	128.0	126.8	126.3	125.8	126.7	126.3	126.8
Frozen fruit & juice	139.0	116.3	125.9	108.6	114.0	114.1	116.2	117.6	115.8	116.1
Fresh veg. excl. potatoes	107.8	100.2	116.4	128.8	110.5	117.0	89.5	141.1	167.0	146.3
Canned veg. & juices	116.7	112.9	109.5	110.1	109.6	110.4	112.0	113.1	112.3	113.0
Frozen vegetables	118.4	117.6	116.4	118.0	122.1	122.6	123.3	123.7	125.4	126.0
Potatoes	157.3	125.7	118.4	120.2	143.7	134.0	143.7	197.7	178.8	170.5
Eggs for fresh use (1991=100)	3/	3/	78.6	87.1	89.0	75.7	85.8	88.5	86.0	82.9
Bakery products	141.0	146.6	152.5	155.0	156.8	157.3	157.8	157.9	157.9	158.4
Meats	117.0	113.5	106.7	108.9	110.2	110.5	108.1	107.4	106.3	106.1
Beef & veal	116.0	112.2	109.5	114.3	110.9	110.7	105.9	107.2	107.3	105.0
Pork	119.8	113.4	98.9	98.6	107.0	109.0	108.9	104.2	101.0	103.7
Processed poultry	113.6	109.9	109.0	108.5	112.8	115.4	115.9	113.7	113.0	112.9
Fish	147.2	149.5	156.1	163.5	145.4	147.7	155.1	154.6	156.2	171.7
Dairy products	117.2	114.6	117.9	116.4	117.9	118.4	118.8	120.3	121.0	120.3
Processed fruits & vegetables	124.7	119.6	120.8	117.5	118.7	118.9	119.9	120.7	120.5	120.9
Shortening & cooking oil	123.2	116.5	115.1	119.4	125.7	124.8	126.4	125.3	131.8	139.2
Soft drinks	122.3	125.5	125.6	126.9	125.8	125.4	126.2	125.5	125.1	127.0
Consumer finished goods less foods	115.3	118.7	120.8	121.4	120.9	120.5	121.2	120.3	119.4	119.8
Beverages, alcoholic	117.2	123.7	126.1	125.8	125.8	125.7	125.9	125.8	125.6	125.8
Apparel	117.5	119.6	122.2	123.2	123.3	123.3	123.2	123.2	122.9	123.0
Footwear	125.6	128.6	132.0	133.5	134.8	134.9	134.7	134.7	135.0	135.3
Tobacco products	221.4	249.7	275.3	291.8	213.3	213.2	214.0	213.5	221.2	225.5
Intermediate materials 4/	114.5	114.4	114.7	115.2	116.6	116.8	116.6	116.2	115.9	116.1
Materials for food manufacturing	117.9	115.3	113.9	113.3	116.1	116.3	116.8	117.6	119.0	119.0
Flour	103.6	96.8	109.5	109.6	109.2	104.2	109.4	111.8	116.7	113.2
Refined sugar 5/	122.7	121.6	119.8	118.0	118.4	118.4	119.0	118.8	118.9	118.4
Crude vegetable oils	115.8	103.0	97.1	104.1	114.4	113.3	111.0	117.9	136.6	141.8
Crude materials 6/	108.9	101.2	100.4	101.4	100.6	101.0	102.2	102.5	100.4	102.2
Foodstuffs & feedstuffs	113.1	105.5	105.1	105.6	108.0	107.7	105.6	109.5	111.5	111.5
Fruits & vegetables & nuts 7/	117.5	114.7	96.9	103.7	99.7	102.3	94.4	114.6	121.4	108.4
Grains	97.4	92.0	97.3	89.9	93.9	92.2	96.4	105.9	116.4	118.0
Livestock	115.6	107.9	104.7	108.3	107.1	105.7	100.0	100.5	99.2	100.7
Poultry, live	118.8	111.2	112.6	112.0	125.9	135.1	126.1	127.2	118.4	110.9
Fibers, plant & animal	117.8	115.1	89.8	89.5	88.5	89.4	92.0	88.9	98.1	107.1
Fluid milk	100.8	89.5	96.1	91.0	92.6	94.0	94.9	97.3	98.7	98.8
Oilseeds	112.1	106.4	107.5	108.9	123.8	118.4	114.3	119.1	127.1	127.4
Tobacco, leaf	95.8	101.1	101.0	104.8	93.1	100.9	102.2	98.9	105.5	105.5
Sugar, raw cane	119.2	113.7	112.1	109.6	115.9	115.3	114.6	114.6	115.4	115.2

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ New index beginning Dec. 1991. 4/ Commodities requiring further processing to become finished goods. 5/ All types & sizes of refined sugar. 6/ Products entering market for the first time that have not been manufactured at that point. 7/ Fresh & dried. R = revised.

Information contact: Ann Duncan (202) 219-0313.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1993						1994
	1991	1992	1993	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Market basket 1/										
Retail cost (1982–84=100)	137.4	138.4	141.9	141.0	141.8	142.2	142.8	143.2	144.6	145.8
Farm value (1982–84=100)	106.1	103.4	104.9	103.6	103.9	104.2	102.2	104.2	105.4	106.4
Farm–retail spread (1982–84=100)	154.2	157.3	161.9	161.1	162.2	162.6	164.7	164.2	165.7	167.1
Farm value–retail cost (%)	27.0	26.2	25.9	25.7	25.7	25.7	25.1	25.5	25.5	25.5
Meat products										
Retail cost (1982–84=100)	132.5	130.7	134.6	132.3	135.6	135.5	135.9	136.3	135.9	136.1
Farm value (1982–84=100)	110.0	104.5	107.2	106.4	103.7	105.4	102.0	101.0	97.4	97.1
Farm–retail spread (1982–84=100)	155.6	157.5	162.8	158.9	168.3	166.4	170.7	172.5	175.4	176.2
Farm value–retail cost (%)	42.0	40.5	40.3	40.7	38.7	39.4	38.0	37.5	36.3	36.1
Dairy products										
Retail cost (1982–84=100)	125.1	128.5	129.4	129.5	130.5	129.6	129.5	129.5	130.2	131.6
Farm value (1982–84=100)	90.0	95.9	93.0	92.6	93.5	91.7	92.2	95.7	97.2	98.4
Farm–retail spread (1982–84=100)	157.5	158.6	162.9	163.5	164.6	164.5	163.9	160.7	160.6	162.3
Farm value–retail cost (%)	34.5	35.8	34.5	34.3	34.4	34.0	34.1	35.4	35.8	35.9
Poultry										
Retail cost (1982–84=100)	131.5	131.4	136.9	134.6	137.5	138.0	139.2	139.7	141.1	140.5
Farm value (1982–84=100)	102.5	104.0	111.5	102.7	117.5	118.5	116.0	114.8	110.9	108.3
Farm–retail spread (1982–84=100)	164.9	163.0	166.2	171.3	160.5	160.5	165.9	168.4	175.9	177.5
Farm value–retail cost (%)	41.7	42.4	43.6	40.9	45.7	46.0	44.6	44.0	42.1	41.3
Eggs										
Retail cost (1982–84=100)	121.2	108.3	117.1	116.2	117.4	113.4	114.9	118.0	116.0	118.5
Farm value (1982–84=100)	100.9	77.8	88.9	92.6	88.0	77.9	84.2	89.5	89.2	86.6
Farm–retail spread (1982–84=100)	157.6	163.2	167.8	158.6	170.2	177.2	170.0	169.1	164.2	175.8
Farm value–retail cost (%)	53.5	46.1	48.8	51.2	48.2	44.1	47.1	48.8	49.4	47.0
Cereal & bakery products										
Retail cost (1982–84=100)	145.8	151.5	156.6	153.4	157.5	157.7	158.1	157.9	158.9	160.3
Farm value (1982–84=100)	85.3	94.7	91.4	91.6	88.0	88.2	93.3	101.2	108.0	106.4
Farm–retail spread (1982–84=100)	154.3	159.4	165.6	162.0	167.2	167.4	167.1	165.8	166.0	167.8
Farm value–retail cost (%)	7.2	7.7	7.1	7.3	6.8	6.8	7.2	7.8	8.3	8.1
Fresh fruits										
Retail cost (1982–84=100)	200.1	189.6	195.8	199.0	192.1	203.7	208.1	204.3	216.6	217.0
Farm value (1982–84=100)	174.4	122.5	134.8	132.4	134.5	152.2	142.8	129.7	128.2	135.5
Farm–retail spread (1982–84=100)	211.9	220.6	224.0	229.8	218.7	227.5	238.2	238.7	257.4	254.6
Farm value–retail cost (%)	27.5	20.4	21.7	21.0	22.1	23.6	21.7	20.1	18.7	19.7
Fresh vegetables										
Retail costs (1982–84=100)	154.4	157.9	168.4	172.4	156.1	157.4	157.7	166.1	174.9	161.7
Farm value (1982–84=100)	110.8	120.5	128.4	129.7	117.0	111.1	97.3	120.6	149.7	168.3
Farm–retail spread (1982–84=100)	176.8	177.2	189.0	194.4	176.2	181.2	188.8	189.5	187.9	188.6
Farm value–retail cost (%)	24.4	25.9	25.9	25.5	25.5	24.0	20.9	24.7	29.1	31.5
Processed fruits & vegetables										
Retail cost (1982–84=100)	130.2	133.7	131.5	131.6	131.7	131.6	132.2	132.5	133.2	135.0
Farm value (1982–84=100)	120.6	129.0	106.3	108.3	105.8	106.5	109.1	109.2	118.7	117.0
Farm–retail spread (1982–84=100)	133.2	135.2	139.4	138.9	139.8	139.4	139.4	139.8	137.7	140.6
Farm value–retail costs (%)	22.0	22.9	19.2	19.6	19.1	19.2	19.6	19.6	21.2	20.6
Fats & oils										
Retail cost (1982–84=100)	131.7	129.8	130.0	130.2	130.1	130.0	130.0	129.2	129.4	131.3
Farm value (1982–84=100)	98.0	93.2	107.5	102.0	107.8	110.1	107.1	118.6	128.9	136.9
Farm–retail spread (1982–84=100)	144.2	143.3	138.3	140.6	138.3	137.3	138.4	133.1	129.6	129.2
Farm value–retail cost (%)	20.0	19.3	22.2	21.1	22.3	22.8	22.2	24.7	26.8	28.0

	Annual			1993					1994	
	1991	1992	1993	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Beef, Choice										
Retail price 2/ (cts./lb.)	288.3	284.6	293.4	292.5	288.4	288.5	291.0	288.2	286.8	284.9
Wholesale value 3/ (cts.)	182.5	179.6	182.5	187.8	176.3	174.6	174.2	170.6	172.4	172.7
Net farm value 4/ (cts.)	160.2	161.8	164.1	172.7	156.2	151.0	152.1	152.3	154.4	155.5
Farm–retail spread (cts.)	128.1	122.6	129.3	119.8	132.2	137.5	138.9	135.9	132.4	129.4
Wholesale–retail 5/ (cts.)	105.8	105.0	110.9	104.7	112.1	116.9	116.8	117.6	114.4	112.2
Farm–wholesale 6/ (cts.)	22.3	17.6	18.4	15.1	20.1	20.6	22.1	18.3	18.0	17.2
Farm value–retail price (%)	56	57	56	59	54	52	52	53	54	55
Pork										
Retail price 2/ (cts./lb.)	211.9	198.0	197.6	193.9	201.6	201.2	202.1	201.1	201.2	199.9
Wholesale value 3/ (cts.)	108.9	98.9	102.8	99.0	105.5	106.5	103.7	102.7	106.4	108.1
Net farm value 4/ (cts.)	78.4	67.8	72.5	70.8	77.0	75.0	68.2	64.1	69.7	76.6
Farm–retail spread (cts.)	133.5	130.2	125.1	123.1	124.6	126.2	133.9	137.0	131.5	123.3
Wholesale–retail 5/ (cts.)	103.0	99.1	94.8	94.9	96.1	94.7	98.4	98.4	84.8	91.8
Farm–wholesale 6/ (cts.)	30.5	31.1	30.3	28.2	28.5	31.5	35.5	38.6	36.7	31.5
Farm value–retail price (%)	37	34	37	37	38	37	34	32	35	38

1/ Retail costs are based on CPI–U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm–retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, & in–city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219–0870, Larry Duewer (202) 219–0712.

Table 9.—Price Indexes of Food Marketing Costs

(See the March 1994 issue.)
Information contact: Denis Dunham (202) 219-0870.

Livestock & Products

Table 10.—U.S. Meat Supply & Use

	Beg. stocks	Production 1/	Imports	Total supply	Exports	Ending stocks	Consumption: Total	Consumption: Per capita 2/	Primary market price 3/
	Million pounds 4/							Pounds	
Beef									
1991	397	22,917	2,406	25,720	1,188	419	24,113	66.8	74.28
1992	419	23,086	2,440	25,945	1,324	360	24,261	66.5	75.36
1993	360	23,058	2,401	25,819	1,275	529	24,015	65.1	76.36
1994 F	529	23,993	2,355	26,877	1,410	475	24,992	67.1	71–77
Pork									
1991	296	15,999	775	17,070	283	388	16,399	50.4	49.69
1992	388	17,234	645	18,267	407	385	17,475	53.1	43.03
1993	385	17,080	740	18,205	435	359	17,411	52.3	46.10
1994 F	359	16,749	770	17,878	400	375	17,103	50.9	45–51
Veal 5/									
1991	6	306	0	312	0	7	305	1.0	99.94
1992	7	310	0	317	0	5	312	1.0	89.38
1993	5	280	0	285	0	4	281	0.9	95.92
1994 F	4	278	0	282	0	5	277	0.9	90–96
Lamb & mutton									
1991	8	363	41	412	10	6	396	1.4	53.21
1992	6	348	50	404	8	8	388	1.4	61.00
1993	8	334	52	394	8	8	378	1.3	65.85
1994 F	8	340	52	400	8	9	383	1.3	59–65
Total red meat									
1991	707	39,585	3,223	43,515	1,481	820	41,214	119.6	—
1992	820	40,978	3,135	44,933	1,739	758	42,436	121.9	—
1993	758	40,752	3,193	44,703	1,718	900	42,085	119.6	—
1994 F	900	41,360	3,177	45,437	1,818	864	42,755	120.1	—
Broilers									
1991	26	19,591	0	19,617	1,261	36	18,320	63.7	54.8
1992	36	20,904	0	20,940	1,489	33	19,418	66.8	52.6
1993	33	22,011	0	22,044	1,966	27	20,051	68.3	55.2
1994 F	27	23,176	0	23,203	2,080	33	21,090	71.1	51–57
Mature chicken									
1991	224	508	0	732	28	274	429	1.7	—
1992	274	520	0	794	41	345	408	1.6	—
1993	345	515	0	860	56	339	465	1.6	—
1994 F	339	522	0	861	60	340	461	1.8	—
Turkeys									
1991	306	4,603	0	4,909	103	264	4,541	18.0	61.3
1992	264	4,777	0	5,041	171	272	4,599	18.0	60.2
1993	272	4,795	0	5,067	212	249	4,606	17.8	62.6
1994 F	249	4,930	0	5,179	200	265	4,714	18.1	59–65
Total poultry									
1991	557	24,701	0	25,258	1,392	575	23,291	83.4	—
1992	575	26,201	0	26,775	1,701	650	24,425	86.4	—
1993	650	27,321	0	27,971	2,234	615	25,122	87.9	—
1994 F	615	28,629	0	29,244	2,340	638	26,266	90.9	—
Red meat & poultry									
1991	1,264	64,286	3,223	68,772	2,873	1,395	64,504	202.9	—
1992	1,395	67,179	3,135	71,708	3,440	1,408	66,861	208.3	—
1993	1,408	68,073	3,193	72,673	3,952	1,515	67,206	207 5	—
1994 F	1,515	69,989	3,177	74,681	4,158	1,502	69,021	211.0	—

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.5) 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium # 1, Nebraska Direct 1,100–1,300 lb.; pork: barrows & gilts, Iowa, Southern Minnesota, veal; farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 8–16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning 1989 veal trade no longer reported separately. F = forecast. — = not available.

Information contacts: Polly Cochran or Maxine Davis (202) 219-0767.

Table 11.—U.S. Egg Supply & Use

	Beg. stocks	Pro-duc-tion	Im-ports	Total supply	Ex-ports	Hatch-ing use	Ending stocks	Consumption: Total	Consumption: Per capita	Wholesale price*
	Million dozen								No.	Cts./doz
1987	10.4	5,868.2	5.6	5,884.2	111.2	599.1	14.4	5,159.5	254.9	61.6
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	246.9	62.1
1989	15.2	5,598.2	25.2	5,638.5	91.6	643.9	10.7	4,892.4	237.3	81.9
1990	10.7	5,665.6	9.1	5,685.3	100.5	678.5	11.6	4,894.7	235.0	82.2
1991	11.6	5,779.3	2.3	5,793.3	154.3	708.1	13.0	4,917.9	233.5	77.5
1992	13.0	5,884.8	4.3	5,902.1	157.0	728.4	13.5	5,003.1	235.0	65.4
1993 P	13.5	5,960.2	4.7	5,978.3	158.9	766.9	10.7	5,041.8	234.3	72.5
1994 F	10.7	6,015.0	4.5	6,030.2	160.0	780.0	12.0	5,078.2	233.6	67–73

* Cartoned grade A large eggs, New York. F = forecast. P = preliminary.

Information contact: Maxine Davis (202) 219–0767.

Table 12.—U.S. Milk Supply & Use[1/]

	Production	Commercial: Farm use	Commercial: Farm marketings	Commercial: Beg stock	Imports	Total commercial supply	CCC net removals	Commercial: Ending stocks	Commercial: Disappearance	All milk price 1/	CCC net removals: Skim solids basis	CCC net removals: Total solids basis 2/
	Billion pounds (milkfat basis)									$/cwt	Billion pounds	
1986	143.1	2.4	140.7	4.5	2.7	147.9	10.8	4.1	133.0	12.51	14.3	12.9
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.6	135.7	12.54	9.3	8.3
1988	145.2	2.2	142.9	4.6	2.4	149.8	9.1	4.3	138.5	12.26	5.5	6.9
1989	144.2	2.1	142.2	4.3	2.5	149.0	9.4	4.1	135.4	13.56	0.4	4.0
1990	148.3	2.0	146.3	4.1	2.7	153.1	9.0	5.1	138.9	13.68	1.6	4.8
1991	148.5	2.0	146.5	5.1	2.6	154.3	10.4	4.5	139.4	12.24	3.9	6.5
1992	151.6	1.9	149.7	4.5	2.5	156.7	10.0	4.7	142.1	13.09	2.0	5.4
1993	151.0	1.9	149.0	4.7	2.8	156.5	6.7	4.8	145.2	12.83	4.2	5.2
1994 F	151.8	1.9	149.9	4.6	2.6	157.1	4.8	4.5	147.8	13.10	4.0	4.3

1/ Delivered to plants & dealers; does not reflect deductions. 2/ Arbitrarily weighted average of milkfat basis (40 percent) & skim solids basis (60 percent). F = forecast

Information contact: Jim Miller (202) 219–0770.

Table 13.—Poultry & Eggs

	Annual			1993						1994
	1991	1992	1993	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Broilers										
Federally inspected slaughter, certified (mil. lb.)	19,727.7	21,052.4	22,172.6	1,802.8	1,905.5	1,913.3	1,871.4	1,810.2	1,877.4	1,877.2
Wholesale price, 12-city (cts./lb.)	52.0	52.6	55.2	52.1	57.8	57.6	55.7	55.8	53.2	52.7
Price of grower feed ($/ton)	208	208	209	203	202	203	219	217	217	223
Broiler-feed price ratio 1/	3.0	3.1	3.3	3.1	3.6	3.6	3.2	3.2	3.1	3.0
Stocks beginning of period (mil. lb.)	26.1	36.1	32.8	32.8	37.1	33.3	36.2	32.7	28.8	26.9
Broiler-type chicks hatched (mil.) 2/	6,616.5	6,830.9	7,130.1	587.9	607.9	578.8	580.0	568.6	619.0	617.7
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,651.9	4,828.9	4,847.8	354.1	428.9	436.0	451.4	461.8	375.3	344.5
Wholesale price, Eastern U.S., 8–16 lb. young hens (cts./lb.)	61.3	60.2	62.6	58.1	63.4	66.7	71.3	71.8	68.2	60.1
Price of turkey grower feed ($/ton)	230	242	247	239	247	245	254	252	248	254
Turkey-feed price ratio 1/	3.3	3.1	3.2	3.0	3.2	3.3	3.4	3.4	3.3	2.9
Stocks beginning of period (mil. lb.)	306.4	264.1	271.7	271.7	624.2	678.8	713.8	683.6	290.8	249.1
Poults placed in U.S. (mil.)	308.1	307.8	308.7	24.6	26.0	21.3	21.0	23.8	25.3	25.4
Eggs										
Farm production (mil.)	69,352	70,618	71,522	6,030	6,015	5,876	6,144	6,037	6,243	6,138
Average number of layers (mil.)	275	278	283	282	282	283	285	287	288	288
Rate of lay (eggs per layer on farms)	252.4	253.9	252.6	21.4	21.3	20.7	21.6	21.1	21.7	21.3
Cartoned price, New York, grade A large (cts./doz.) 3/	77.5	65.4	72.5	71.7	72.8	67.2	70.9	71.5	72.2	68.0
Price of laying feed ($/ton)	192	199	202	199	201	200	207	209	207	217
Egg-feed price ratio 1/	6.8	5.7	6.2	6.4	6.1	5.8	5.8	6.0	6.1	5.7
Stocks, first of month										
Shell (mil. doz.)	0.45	0.63	0.45	0.45	0.18	0.18	0.45	0.39	0.18	0.30
Frozen (mil. doz.)	11.2	12.3	13.0	13.0	13.4	13.8	10.9	10.7	10.3	10.4
Replacement chicks hatched (mil.)	420	386	407	33.4	32.8	31.9	32.2	30.8	31.5	32.8

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers.

Information contact: Maxine Davis (202) 219–0767.

Table 14.—Dairy

	Annual			1993						1994
	1991	1992	1993	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Milk prices, Minnesota–Wisconsin, 3.5% fat ($/cwt) 1/	11.05	11.88	11.80	10.89	11.17	11.90	12.46	12.75	12.51	12.41
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	99.3	82.5	74.4	75.3	74.6	74.3	74.2	73.6	69.7	64.0
Am. cheese, Wis. assembly pt. (cts./lb.)	124.4	131.9	131.5	119.3	124.8	137.4	138.9	138.7	133.7	132.2
Nonfat dry milk (cts./lb.) 2/	94.0	107.1	112.0	111.0	109.3	109.2	110.8	112.6	112.7	109.8
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	10,426.0	9,952.8	6,738.2	1,609.0	-91.1	-490.9	-17.2	-176.6	374.0	1,169.5
Butter (mil. lb.)	442.9	439.5	291.4	72.3	-5.2	-23.5	-1.8	-9.3	16.3	52.9
Am. cheese (mil. lb.)	76.9	16.1	8.8	1.7	0.4	0.4	0.2	0.2	0.2	0.1
Nonfat dry milk (mil. lb.)	269.5	136.7	327.0	35.4	24.6	28.9	40.6	17.5	17.5	11.7
Milk										
Milk prod. 21 States (mil. lb.)	125,671	128,223	127,383	10,728	10,573	10,138	10,331	9,994	10,461	10,606
Milk per cow (lb.)	14,977	15,544	15,680	1,305	1,306	1,253	1,280	1,239	1,299	1,319
Number of milk cows (1,000)	8,391	8,249	8,124	8,219	8,098	8,090	8,069	8,065	8,054	8,041
U.S. milk production (mil. lb.)	148,477	151,647	150,954	7/ 12,729	7/ 12,492	7/ 11,978	7/ 12,272	7/ 11,872	7/ 12,427	7/ 12,584
Stock, beginning										
Total (mil. lb.)	13,359	15,841	14,215	14,215	17,251	16,050	13,984	11,936	10,438	9,570
Commercial (mil. lb.)	5,146	4,461	4,688	4,688	5,423	5,277	5,038	4,760	4,579	4,550
Government (mil. lb.)	8,213	11,379	9,526	9,526	11,828	10,774	8,947	7,175	5,860	5,020
Imports, total (mil. lb.)	2,625	2,524	2,807	171	190	224	293	300	335	—
Commercial disappearance (mil. lb.)	139,343	142,071	145,244	10,976	12,756	12,775	12,697	12,373	12,254	—
Butter										
Production (mil. lb.)	1,335.8	1,365.2	1,318.6	144.4	79.3	80.4	92.1	95.7	118.2	131.8
Stocks, beginning (mil. lb.)	416.1	539.4	447.7	447.7	516.4	473.3	395.4	341.1	276.3	234.7
Commercial disappearance (mil. lb.)	903.5	944.2	1,041.4	72.5	85.9	106.5	93.5	107.5	104.7	—
American cheese										
Production (mil. lb.)	2,768.9	2,936.8	2,924.8	247.8	237.8	213.5	239.0	223.7	246.1	247.3
Stocks, beginning (mil. lb.)	347.4	318.7	346.7	346.7	408.9	396.7	389.8	368.8	362.5	358.7
Commercial disappearance (mil. lb.)	2,756.7	2,900.9	2,912.5	241.0	250.0	219.7	260.8	232.2	250.4	—
Other cheese										
Production (mil. lb.)	3,250.0	3,551.7	3,540.1	261.3	292.2	303.0	317.1	315.6	315.3	291.2
Stocks, beginning (mil. lb.)	110.6	97.5	120.9	120.9	126.0	122.3	111.3	104.0	100.5	107.0
Commercial disappearance (mil. lb.)	3,539.2	3,795.4	3,853.5	266.8	315.6	339.2	355.9	351.5	349.4	—
Nonfat dry milk										
Production (mil. lb.)	877.5	872.1	926.5	76.5	64.9	51.1	56.3	56.0	91.2	89.2
Stocks, beginning (mil. lb.)	161.9	214.8	81.2	81.2	130.4	133.8	100.0	75.9	66.4	89.8
Commercial disappearance (mil. lb.)	662.7	720.6	598.0	48.3	37.7	60.2	44.1	49.9	49.2	—
Frozen dessert										
Production (mil. gal.) 5/	1,203.1	1,196.8	1,177.6	73.4	117.6	100.0	85.0	75.8	77.6	76.7

	Annual			1992			1993			
	1991	1992	1993	II	III	IV	I	II	III P	IV P
Milk production (mil. lb.)	148,477	151,647	150,954	39,050	37,481	37,132	37,608	39,411	37,364	36,571
Milk per cow (lb.)	14,860	15,419	15,554	3,971	3,817	3,780	3,848	4,052	3,862	3,792
No. of milk cows (1,000)	9,992	9,835	9,705	9,835	9,820	9,823	9,773	9,727	9,675	9,644
Milk–feed price ratio 6/	1.58	1.69	1.65	1.66	1.75	1.69	1.61	1.66	1.62	1.66
Returns over concentrate costs ($/cwt milk) 6/	8.95	9.95	9.64	9.50	10.10	9.75	9.09	9.65	9.35	10.02

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP). 4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet 6/ Based on average milk price after adjustment for price support deductions. 7/ Estimated. - - - = not available. P = preliminary.

Information contact: LaVerne T. Williams (202) 219–0770.

Table 15.—Wool

	Annual			1992		1993			
	1991	1992	1993	III	IV	I	II	III	IV
U.S. wool price, (cts./lb.) 1/	199	204	137	210	176	146	134	136	132
Imported wool price, (cts./lb.) 2/	187	210	142	203	189	150	137	129	150
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	137,187	136,143	139,941	33,581	31,066	35,503	35,462	35,021	33,955
Carpet wool (1,000 lb.)	14,352	14,695	15,665	3,145	3,378	4,511	4,341	2,648	4,165

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60–22.04 microns) staple 2–3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. — = not available. P = preliminary.

Information contact: John Lawler (202) 219–0840.

Table 16.—Meat Animals

	Annual			1993						1994
	1991	1992	1993	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,992	8,397	9,073	9,073	7,633	7,734	8,184	9,016	9,307	9,279
Placed on feed (1,000 head)	19,704	20,498	102,014	1,621	1,865	2,158	2,474	1,858	1,499	1,543
Marketings (1,000 head)	19,071	18,623	18,988	1,514	1,687	1,642	1,566	1,459	1,451	1,609
Other disappearance (1,000 head)	1,233	1,199	1,199	130	77	66	76	108	76	71
Market prices ($/cwt)										
Slaughter cattle										
Choice steers, 1,000–1,300 lb.										
Texas	74.21	75.36	76.36	79.01	74.69	73.11	71.14	71.54	71.00	72.01
Nebraska Direct	74.68	75.71	77.02	80.05	75.09	73.46	72.13	73.23	72.42	72.88
Boning utility cows, Sioux Falls	50.66	44.84	47.52	46.50	49.61	47.97	46.00	43.12	42.38	42.64
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	—	86.47	91.72	90.45	92.52	91.60	87.69	88.41	87.42	86.88
750–800 lb	—	81.76	86.45	87.02	88.50	87.03	85.19	85.26	85.33	83.20
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn	49.69	43.03	46.10	42.16	48.63	48.80	47.54	43.37	40.88	44.26
6 markets	48.88	42.31	45.38	40.90	48.21	48.19	46.99	42.58	40.14	43.73
Feeder pigs										
S. Mo. 40–50 lb. (per head)	44.52	31.71	40.66	34.63	36.13	39.78	42.22	34.38	32.60	34.67
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	53.21	61.00	65.85	69.88	58.97	66.08	63.75	65.69	68.44	56.00
Ewes, Good, San Angelo	31.98	35.24	37.46	39.94	35.39	34.94	30.82	34.80	39.06	41.55
Feeder lambs										
Choice, San Angelo	53.29	62.21	69.32	73.63	63.17	68.75	69.96	71.61	72.00	69.85
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	117.24	116.02	117.71	122.07	115.27	112.10	108.35	110.17	108.06	110.08
Select, 700–800 lb.	112.73	111.68	113.53	118.57	111.64	109.59	104.85	106.21	104.34	107.13
Canner & cutter cow beef	99.42	93.85	95.39	96.58	98.50	94.72	90.02	90.22	89.50	91.51
Pork cutout, No. 2	67.02	68.37	62.19	56.56	65.56	66.11	64.87	61.07	58.98	59.75
Pork loins, 14–18 lb. 2/	108.39	101.41	107.47	98.22	116.73	116.74	111.85	98.68	92.33	103.90
Pork bellies, 12–14 lb.	47.79	30.39	41.62	31.97	46.68	43.82	47.26	47.21	46.21	50.63
Hams, skinned, 20–26 lb.	73.55	66.67	66.90	61.43	69.01	76.06	73.68	66.14	57.45	59.52
All fresh beef retail price 3/	271.05	266.79	273.43	270.16	273.89	271.74	273.50	273.58	273.55	269.29
Commercial slaughter (1,000 head) 4/										
Cattle	32,689	32,674	33,321	2,668	2,941	2,870	2,797	2,697	2,775	2,744
Steers	16,728	17,138	17,219	1,333	1,564	1,477	1,402	1,316	1,411	1,402
Heifers	9,725	9,236	9,357	753	820	816	805	759	768	785
Cows	5,626	5,845	6,089	534	495	517	531	567	545	510
Bulls & stags	614	653	659	49	62	60	59	56	51	47
Calves	1,436	1,371	1,195	104	98	97	97	105	106	102
Sheep & lambs	5,721	5,496	5,181	393	432	426	406	416	443	395
Hogs	88,169	94,889	93,068	7,830	7,650	7,946	8,039	8,138	8,397	7,467
Barrows & gilts	83,668	89,964	88,387	7,442	7,229	7,521	7,654	7,755	7,992	7,101
Commercial production (mil. lb.)										
Beef	22,800	22,968	22,940	1,822	2,065	2,027	1,980	1,890	1,948	1,942
Veal	296	299	269	22	23	22	22	23	24	23
Lamb & mutton	358	343	329	25	27	27	25	26	28	25
Pork	15,948	17,184	17,032	1,435	1,389	1,440	1,473	1,508	1,554	1,377

	Annual			1992		1993				1994
	1991	1992	1993	III	IV	I	II	III	IV	I
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	10,827	10,135	10,884	8,847	8,920	10,884	10,452	9,493	9,651	11,095
Placed on feed (1,000 head)	23,208	24,241	24,011	6,107	7,458	5,321	5,314	6,341	7,035	—
Marketings (1,000 head)	22,383	22,056	22,316	5,766	5,174	5,314	5,833	5,893	5,276	—
Other disappearance (1,000 head)	1,517	1,436	1,484	268	320	439	460	270	315	—
Hogs & pigs (10 States) 5/										
Inventory (1,000 head) 1/	42,900	45,735	46,240	47,145	48,270	46,240	45,080	46,420	46,920	45,060
Breeding (1,000 head) 1/	5,257	5,610	5,515	5,735	5,735	5,515	5,470	5,630	5,560	5,430
Market (1,000 head) 1/	37,643	40,125	40,725	41,410	42,535	40,725	39,610	40,790	41,360	39,630
Farrowings (1,000 head)	9,516	9,695	9,292	2,363	2,373	2,210	2,521	2,332	2,229	—
Pig crop (1,000 head)	75,330	78,520	75,355	19,267	19,151	18,093	20,465	18,849	17,948	—

1/ Beginning of period. 2/ Prior to 1984, 8–14 lb.; 1984 & 1985, 14–17 lb; beginning 1986, 14–18 lb. 3/ New series estimating the composite price of all beef grades & ground beef sold by retail stores. This new series is in addition to, but does not replace, the series for the retail price of Choice beef that appears in table 8. 4/ Classes estimated. 5/ Quarters are Dec. of preceding year–Feb. (I), Mar.–May (II), June–Aug. (III), & Sept–Nov. (IV). May not add to NASS totals due to rounding. — = not available. * Intentions.

Information contact: Polly Cochran (202) 219–0767.

Table 17.—Supply & Utilization[1,2]

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 5/
	Set aside 3/	Planted	Harvested									
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Wheat												
1988/89	22.5	65.5	53.2	34.1	1,812	3,096	150	829	1,415	2,394	702	3.72
1989/90	9.6	76.6	62.2	32.7	2,037	2,762	144	849	1,232	2,225	536	3.72
1990/91	7.5	77.2	69.3	39.5	2,736	3,309	499	875	1,068	2,443	866	2.61
1991/92*	15.8	69.9	57.7	34.3	1,981	2,888	250	887	1,280	2,416	472	3.00
1992/93*	7.3	72.3	62.4	39.4	2,459	3,001	191	927	1,354	2,472	529	3.24
1993/94*	5.3	72.2	62.6	38.3	2,402	3,026	275	938	1,225	2,438	588	3.15–3.25
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				$/cwt
Rice												
1988/89	1.09	2.93	2.90	5,514	159.9	195.1	—	6/ 82.5	85.9	168.4	26.7	8.83
1989/90	1.18	2.73	2.69	5,749	154.5	185.6	—	6/ 82.1	77.2	159.3	26.4	7.35
1990/91	1.02	2.90	2.82	5,529	156.1	187.2	—	6/ 91.7	70.9	162.7	24.6	6.70
1991/92*	0.7	2.88	2.78	5,674	157.5	187.3	—	6/ 93.5	66.4	159.9	27.4	7.58
1992/93*	0.4	3.18	3.13	5,736	179.7	213.2	—	6/ 96.7	77.0	173.7	39.4	5.89
1993/94*	0.7	2.92	2.83	5,510	156.1	202.3	—	6/ 98.6	83.0	181.6	20.7	8.00–9.00
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Corn												
1988/89	20.5	67.7	58.3	84.6	4,929	9,191	3,941	1,293	2,026	7,260	1,930	2.54
1989/90	10.8	72.2	64.7	116.3	7,525	9,458	4,389	1,356	2,368	8,113	1,344	2.36
1990/91	10.7	74.2	67.0	118.5	7,934	9,282	4,663	1,373	1,725	7,761	1,521	2.28
1991/92*	7.4	76.0	68.8	108.6	7,475	9,016	4,878	1,454	1,584	7,916	1,100	2.37
1992/93*	5.2	79.3	72.2	131.4	9,482	10,589	5,301	1,511	1,663	8,478	2,113	2.07
1993/94*	10.4	73.3	63.0	100.7	6,344	8,477	4,800	1,600	1,275	7,675	802	2.55–2.65
	Mil. acres			Bu./acre				Mil. bu.				$/bu
Sorghum												
1988/89	3.9	10.3	9.0	63.8	577	1,239	466	22	311	800	440	2.27
1989/90	3.3	12.8	11.1	55.4	615	1,055	517	15	303	835	220	2.10
1990/91	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92*	2.4	11.1	9.9	59.3	585	727	374	9	292	674	53	2.25
1992/93*	2.0	13.3	12.2	72.8	884	937	478	8	277	762	175	1.89
1993/94*	2.2	10.5	9.5	59.9	568	743	475	8	175	658	85	2.40–2.50
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Barley												
1988/89	2.8	9.8	7.6	38.0	290	622	171	175	79	425	196	2.80
1989/90	2.3	9.1	8.3	48.6	404	614	193	175	84	453	161	2.42
1990/91	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92*	2.1	8.9	8.4	55.2	464	624	225	178	94	496	129	2.10
1992/93*	2.3	7.8	7.3	62.5	458	598	195	172	80	447	151	2.05
1993/94*	2.2	7.8	6.8	58.9	400	606	230	170	60	460	146	1.95–2.00
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Oats												
1988/89	0.3	13.9	5.5	39.3	218	392	194	100	1	294	98	2.61
1989/90	0.3	12.1	6.9	54.3	374	538	266	115	1	381	157	1.49
1990/91	0.2	10.4	5.9	60.1	358	578	288	120	1	407	171	1.14
1991/92*	0.5	8.7	4.8	50.7	243	489	235	125	2	362	128	1.21
1992/93*	0.6	8.0	4.5	65.6	295	477	233	125	6	364	113	1.32
1993/94*	0.8	7.9	3.8	54.4	206	414	180	125	5	310	104	1.35–1.40
	Mil. acres			Bu./acre				Mil. bu.				$/bu
Soybeans												
1988/89	0	58.8	57.4	27.0	1,549	1,855	7/ 88	1,058	527	1,673	182	7.42
1989/90	0	60.8	59.5	32.3	1,924	2,109	7/ 101	1,146	623	1,870	239	5.69
1990/91	0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92*	0	59.2	58.0	34.2	1,987	2,319	7/ 103	1,254	684	2,041	278	5.56
1992/93*	0	59.1	58.2	37.8	2,188	2,468	7/ 127	1,279	770	2,176	292	5.56
1993/94*	0	59.4	56.4	32.0	1,809	2,105	7/ 106	1,240	605	1,951	155	6.25–6.75
								Mil. lbs				8/ Cts /lb.
Soybean oil												
1988/89	—	—	—	—	11,737	13,967	—	10,591	1,661	12,252	1,715	21.10
1989/90	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91	—	—	—	—	13,408	14,730	—	12,164	780	12,944	1,786	21.00
1991/92*	—	—	—	—	14,345	16,132	—	12,245	1,648	13,893	2,239	19.10
1992/93*	—	—	—	—	13,778	16,027	—	13,053	1,419	14,472	1,555	21.40
1993/94*	—	—	—	—	13,535	15,125	—	13,000	1,175	14,175	950	27.0–29.0
								1,000 tons				9/ $/ton
Soybean meal												
1988/89	—	—	—	—	24,943	25,100	—	19,657	5,270	24,927	173	252.40
1989/90	—	—	—	—	27,719	27,900	—	22,263	5,319	27,582	318	186.48
1990/91	—	—	—	—	28,325	28,688	—	22,934	5,469	28,403	285	181.40
1991/92*	—	—	—	—	29,831	30,183	—	23,008	6,945	29,953	230	189.20
1992/93*	—	—	—	—	30,364	30,687	—	24,251	6,232	30,483	204	193.75
1993/94*	—	—	—	—	29,496	29,800	—	24,600	4,900	29,500	300	185–205

See footnotes at end of table.

Table 17.—Supply & Utilization, continued

	Area											
	Set Aside 3/	Planted	Harvested	Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/
	Mil. acres			Lb /acre	Mil. bales							Cts./lb.
Cotton 10/												
1988/89	2 2	12.5	11.9	619	15.4	21.2	--	7.8	6.1	13 9	7.1	58 60
1989/90	3.5	10.8	9.5	614	12.2	19.3	--	8.8	7.7	16 5	3 0	66.20
1990/91	2 0	12.3	11.7	634	15.5	18.5	--	8.7	7.8	16.5	2.3	67.10
1991/92*	1.2	14.1	13.0	652	17.6	20.0	--	9.6	6.8	16 3	3.7	58.10
1992/93*	1.7	13.2	11.1	699	16.2	19.9	--	10.3	5.2	15 5	4.7	54.90
1993/94*	1.4	13.4	12.8	607	16.2	20 8	—	10.2	6.5	16.7	4.2	11/ 54.30

*March 10, 1994 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybeans, corn, & sorghum, October 1 for soymeal & soyoil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36 7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22 046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds, sesame, and crambe. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use 7/ Includes seed 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 48 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August 1-December 1; not a projection for the marketing year. -- = not available or not applicable.

Note Set-aside data for 1993 are from June 15 signup report.

Information contact: Commodity Economics Division, Crops Branch (202) 219-0840.

Table 18.—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1993					1994
	1989/90	1990/91	1991/92	1992/93	Jan	Sept	Oct	Nov	Dec	Jan
Wheat, No. 1 HRW, Kansas City ($/bu.) 2/	4.22	2.94	3.77	3.67	3.97	3.37	3.52	3.39	4.15	4.00
Wheat, DNS, Minneapolis ($/bu.) 3/	4.18	3.06	3.82	3.91	4.05	4.90	5.17	5.50	5.45	5.32
Rice, S.W. La ($/cwt) 4/	15.55	15 25	16.48	13.36	14 25	12.75	15.20	23.75	26.25	26.25
Corn, no. 2 yellow, 30 day, Chicago ($/bu.)	2.54	2.41	2.52	2.22	2 18	2.34	2.43	2.77	2.96	3.02
Sorghum, no. 2 yellow, Kansas City ($/cwt)	4.21	4 08	4 36	3.74	3.70	3.89	4.03	4 60	4.91	4.93
Barley, feed, Duluth ($/bu.) 5/	2.20	2`13	2.17	2.11	2.06	1 89	2.01	2.16	2.14	2.15
Barley, malting, Minneapolis ($/bu.)	3 28	2.42	2.38	2.37	2.36	2.18	2 26	2.48	2.57	2.55
U.S. price, SLM, 1-1/16 in. (cts /lb.) 6/	69 8	74.8	56.7	54.1	53.7	54.0	54.6	55.6	60 3	66.5
Northern Europe prices index (cts./lb.) 7/	82 3	82.9	62.9	56.9	57.4	55.1	54.7	55.1	58.8	69.3
U.S. M 1-3/32 in. (cts./lb.) 8/	83.6	88.2	66.3	62.5	63.4	57.0	56.9	58.6	64.6	73.2
Soybeans, no. 1 yellow, 30 day, Chicago ($/bu)	5.86	5 76	5.75	5.96	5.73	6.32	6.06	6.55	6.84	6.92
Soybean oil, crude, Decatur (cts./lb)	22 30	21 00	19.10	21.40	21.19	23.61	22.98	24 22	26.75	29.39
Soybean meal, 48% protein, Decatur ($/ton) 9/	186 50	181.40	189.20	193.75	188.75	199.90	194.50	209.40	206 00	198.30

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soymeal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotlook "A" Index, average of five lowest prices of 13 selected growths. 8/ Memphis territory growths. 9/ Note change to 48% protein

Information contacts: Wheat, rice, & feed grains, Jenny Gonzales (202) 219-0840; Cotton, Les Meyer (202) 219-0840; Soybeans, Mark Ash (202) 219-0840.

Table 19.—Farm Programs, Price Supports, Participation & Payment Rates

	Target price	Basic loan rate	Findley or announced loan rate 1/	Payment rates: Total deficiency	Paid land diversion: Mandatory	Paid land diversion: Optional	Effective base acres 2/	Program 3/	Participation rate 4/
				$/bu.			Mil. acres	Percent of base	Percent of base
Wheat									
1988/89	4.23	2.76	2.21	0.89	—	—	84.8	27.5/0/0	86
1989/90	4.10	2.58	2.06	0.32	—	—	82.3	10/0/0	78
1990/91 5/	4.00	2.44	1.95	1.28	—	—	80.5	6/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	—	—	79.2	15/0/0	85
1992/93	4.00	2.58	2.21	0.81	—	—	78.9	5/0/0	83
1993/94	4.00	2.86	2.45	**1.03	—	—	78.5	0/0/0	87
1994/95	4.00	2.72	2.58	***0.85	—	—	—	0/0/0	—
				$/cwt					
Rice									
1988/89	11.15	6.63	7/ 6.50	4.31	—	—	4.2	25/0/0	94
1989/90	10.80	6.50	7/ 6.00	3.58	—	—	4.2	25/0/0	94
1990/91 5/	10.71	6.50	7/ 5.40	4.18	—	—	4.2	20/0/0	95
1991/92	10.71	6.50	7/ 5.85	3.07	—	—	4.2	5/0/0	95
1992/93	10.71	6.50	—	4.21	—	—	4.1	0/0/0	96
1993/94	10.71	6.50	—	**3.98	—	—	4.1	5/0/0	96
1994/95	10.71	6.50	—	***0.94	—	—	—	0/0/0	—
				$/bu.					
Corn									
1988/89	2.93	2.21	1.77	0.38	—	1.75	82.9	20/0/10	87
1989/90	2.84	2.06	1.65	0.58	—	—	82.7	10/0/0	79
1990/91 5/	2.75	1.96	1.57	0.51	—	—	82.6	10/0/0	78
1991/92	2.75	1.89	1.62	0.41	—	—	82.7	7.5/0/0	77
1992/93	2.75	2.01	1.72	0.73	—	—	82.1	5/0/0	78
1993/94	2.75	1.99	1.72	**0.72	—	—	81.9	10/0/0	81
1994/95	2.75	1.99	1.89	***0.40	—	—	—	0/0/0	—
				$/bu.					
Sorghum									
1988/89	2.78	2.10	1.68	0.48	—	1.65	16.8	20/0/10	82
1989/90	2.70	1.98	1.57	0.66	—	—	16.2	10/0/0	71
1990/91 5/	2.61	1.88	1.49	0.56	—	—	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	0.37	—	—	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	0.70	—	—	13.8	5/0/0	79
1993/94	2.61	1.89	1.63	**0.70	—	—	13.5	5/0/0	81
1994/95	2.61	1.89	1.80	***0.46	—	—	—	0/0/0	—
				$/bu					
Barley									
1988/89	2.51	1.80	1.44	0.00	—	1.40	12.5	20/0/10	79
1989/90	2.44	1.68	1.34	0.00	—	—	12.3	10/0/0	67
1990/91 5/	2.36	1.60	1.28	0.20	—	—	11.9	10/0/0	68
1991/92	2.36	1.54	1.32	0.62	—	—	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	0.56	—	—	11.1	5/0/0	75
1993/94	2.36	1.62	1.40	**0.67	—	—	10.8	0/0/0	82
1994/95	2.36	1.62	1.54	***0.52	—	—	—	0/0/0	—
				$/bu.					
Oats									
1988/89	1.55	1.14	0.91	0.00	—	—	7.9	5/0/0	30
1989/90	1.50	1.06	0.85	0.00	—	—	7.8	5/0/0	18
1990/91 5/	1.45	1.01	0.81	0.32	—	—	7.5	5/0/0	09
1991/92	1.45	0.97	0.83	0.35	—	—	7.3	0/0/0	38
1992/93	1.45	1.03	0.88	0.17	—	—	7.2	0/0/0	40
1993/94	1.45	1.02	0.88	**0.11	—	—	7.1	0/0/0	46
1994/95	1.45	1.02	0.97	***0.00	—	—	—	0/0/0	—
				$/bu.					
Soybeans 9/									
1988/89	—	—	4.77	—	—	—	—	—	—
1989/90	—	—	4.53	—	—	—	—	—	—
1990/91 5/	—	—	4.50	—	—	—	—	—	—
1991/92	—	—	5.02	—	—	—	—	—	—
1992/93	—	—	5.02	—	—	—	—	—	—
1993/94	—	—	5.02	—	—	—	—	—	—
1994/95	—	—	4.92	—	—	—	—	—	—
				Cts./lb.					
Upland cotton									
1988/89	75.9	51.80	11/ 51.80	19.4	—	—	14.5	12.5/0/0	89
1989/90	73.4	50.00	11/ 50.00	13.1	—	—	14.6	25/0/0	89
1990/91 5/	72.9	50.27	11/ 50.27	7.3	—	—	14.4	12.5/0/0	86
1991/92 12/	72.9	50.77	11/ 47.23	10.1	—	—	14.6	5/0/0	84
1992/93	72.9	52.35	11/ —	20.3	—	—	14.9	10/0/0	89
1993/94	72.9	52.35	11/ —	**18.6	—	—	15.1	7.5/0/0	91
1994/95	72.9	50.00	11/ —	***12.9	—	—	—	11/0/0	—

1/ There are no Findley loan rates for rice or cotton. See footnotes 7/ & 11/. 2/ National effective crop acreage base as determined by ASCS. Net of CRP. 3/ Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. 4/ Percentage of effective base acres enrolled in acreage reduction programs. 5/ Payments & loans were reduced by 1.4 percent in 1990/91 due to Gramm–Rudman–Hollings. Budget Reconciliation Act reductions to deficiency payments rates were also in effect in that year. Data do not include these reductions. 6/ Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. 7/ A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to market-year average loan repayment rates. 8/ The sorghum, oats & barley programs are the same as for corn except as indicated. 9/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 10/ Nominal percentage of program crop base acres permitted to shift into soybeans without loss of base. 11/ A marketing loan has been in effect for cotton since 1966/67. In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average loan repayment rates. 12/ A marketing certificate program was implemented on Aug. 1, 1991. — = not available.

* For wheat, the 1991/92 rate is the total deficiency payment rate for the "regular" program. For the winter wheat option, the rate is $1.25.
** For wheat, barley, and oats, regular deficiency payment rate based on the 5-month price. For rice and upland cotton, total deficiency payment rate. For corn and sorghum, rate was projected at sign-up. 5-month regular deficiency payment rate for corn and sorghum is due to be released in March 1994.
*** Estimated total deficiency payment rate. Minimum guaranteed payment rate for 0/85 (wheat & feed grains) & 50/85 (rice and upland cotton) programs. Sign-up for 1994 programs was March 1–April 29, 1994.
Note: 1993 effective base acres and participation rates are from June 15 signup report.

Information contact: Agricultural Stabilization and Conservation Service (202) 690–0445.

Table 20.—Fruit

	1985	1986	1987	1988	1989	1990	1991	1992	1993 P
Citrus 1/									
Production (1,000 ton)	10,525	11,058	11,993	12,761	13,186	10,860	11,285	12,452	15,338
Per capita consumpt. (lbs.) 2/	21.5	24.2	23.9	25.4	23.5	21.4	19.1	24.3	—
Noncitrus 3/									
Production (1,000 tons)	14,191	13,874	16,011	15,893	16,365	15,657	15,748	17,116	15,936
Per capita consumpt. (lbs.) 2/	65.1	63.7	73.4	71.7	73.0	70.8	70.8	74.4	—

	1993								1994
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
F.o.b. shipping point prices									
Apples ($/carton) 4/	11.50	11.50	11.50	12.76	13.34	12.33	12.00	12.00	12.00
Pears ($/box) 5/	16.28	18.28	—	—	—	12.07	11.04	10.05	9.97
Grower prices									
Oranges ($/box) 6/	3.59	3.83	4.87	7.27	10.52	11.67	5.25	3.95	3.91
Grapefruit ($/box) 6/	1.44	1.45	3.53	2.44	3.51	6.13	4.19	4.38	3.20
Stocks, ending									
Fresh apples (mil. lbs.)	895.1	488.9	201.2	28.4	3,256.8	5,423.4	5,179.4	4,427.9	3,747.6
Fresh pears (mil. lbs.)	23.3	1.6	7.1	146.5	556.8	552.1	41.8	358.5	298.0
Frozen fruits (mil. lbs.)	661.6	710.3	831.3	939.8	997.9	1,179.0	1,110.8	1,008.8	934.0
Frozen orange juice (mil. lbs.)	1,462.3	1,351.8	1,147.0	1,029.6	875.7	817.2	890.9	955.5	1,209.6

1/ 1992 indicated 1991/92 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's. 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary. — = not available.

Information contact: Wynnice Napper (202) 219-0884.

Table 21.—Vegetables

	Calendar year									
	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993 P
Production										
Total vegetables (1,000 cwt)	458,334	453,030	448,629	478,381	468,779	542,437	561,704	564,581	538,637	532,109
Fresh (1,000 cwt) 1/ 3/	201,817	203,549	203,185	220,539	228,387	239,281	239,104	229,505	245,752	237,027
Processed (tons) 2/ 3/	12,725,880	12,474,040	12,273,200	12,892,100	12,019,110	15,157,790	16,130,020	16,753,820	14,644,260	14,754,080
Mushrooms (1,000 lbs.) 4/	595,661	587,956	614,393	631,819	667,759	714,992	749,151	746,832	776,357	—
Potatoes (1,000 cwt)	362,039	406,609	361,743	389,320	356,438	370,444	402,110	417,622	425,367	419,415
Sweetpotatoes (1,000 cwt)	12,902	14,573	12,368	11,611	10,945	11,358	12,594	11,203	12,005	11,791
Dry edible beans (1,000 cwt)	21,070	22,298	22,960	26,031	19,253	23,729	32,379	33,765	22,815	21,842

	1992		1993							1994
	Nov	Dec	Jan	July	Aug	Sep	Oct	Nov	Dec	Jan
Shipments (1,000 cwt)										
Fresh	17,741	18,447	19,087	19,418	16,292	18,424	16,281	15,287	19,306	17,281
Iceberg lettuce	4,237	3,819	4,287	3,715	3,971	4,971	4,110	3,283	4,187	3,376
Tomatoes, all	2,120	2,274	2,927	2,742	2,183	2,944	2,885	2,408	2,200	2,568
Dry-bulb onions	2,777	3,217	2,856	2,877	2,793	3,639	2,859	2,776	2,960	2,363
Other 5/	8,607	9,137	9,017	10,082	7,345	6,870	6,427	6,840	9,959	8,974
Potatoes, all	12,124	12,881	13,376	9,393	8,822	13,504	11,563	12,404	14,952	13,141
Sweetpotatoes	845	508	291	178	154	343	244	565	353	172

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Excludes estimates reinstated in 1992 to preserve series comparability. 4/ Fresh & processing agaricus mushrooms only. Excludes specialty varieties. Crop year July 1 – June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, bell peppers, squash, cantaloupes, honeydews, & watermelons. p = preliminary. — = not available.

Information contacts: Gary Lucier or John Love (202) 219-0884.

Table 22.—Other Commodities

	Annual					1992	1993			
	1989	1990	1991	1992	1993	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec
Sugar										
Production 1/	8,841	8,334	7,145	7,492	7,824	3,919	2,351	825	735	3,902
Deliveries 1/	8,340	8,661	8,693	8,936	9,023	2,303	2,067	2,201	2,491	2,264
Stocks, ending 1/	2,947	2,729	3,039	3,225	3,486	3,225	3,904	2,957	1,599	3,486
Coffee										
Composite green price N.Y. (cts./lb.)	95.17	76.93	70.09	55.30	64.31	61.94	60.48	55.07	69.47	72.21
Imports, green bean equiv. (mil. lbs.) 2/	2,685	2,715	2,553	2,989	2,498	705	757	596	575	570

	Annual			1992	1993					
	1990	1991	1992	Oct	May	June	July	Aug	Sept	Oct
Tobacco										
Prices at auctions 3/										
Flue-cured ($/lb.)	167.3	172.3	—	182.0	—	—	158.0	160.0	173.0	175.0
Burley ($/lb.)	175.3	178.8	—	—	—	—	—	—	—	—
Domestic consumption 4/										
Cigarettes (bil.)	523.1	516.3	509.5	44.7	39.4	41.0	37.5	39.2	37.4	32.1
Large cigars (mil.)	2,343.5	2,231.9	2,217.1	178.0	175.2	227.7	154.5	211.6	192.8	127.1

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July-June for flue-cured, Oct.-Sept. for burley. 4/ Taxable removals. — = not available.

Information contacts: Sugar, Peter Buzzanell (202) 219-0888, Coffee, Fred Gray (202) 219-0888, Tobacco, Verner Grise (202) 219-0890

World Agriculture

Table 23.—World Supply & Utilization of Major Crops, Livestock & Products

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93 P	1993/94 F
				Million units			
Wheat							
Area (hectares)	219.7	217.4	225.8	231.5	222.4	222.9	222.9
Production (metric tons)	496.0	495.0	533.2	588.2	542.6	560.9	562.2
Exports (metric tons) 1/	112.1	102.3	102.3	101.2	108.7	110.2	99.7
Consumption (metric tons) 2/	525.3	524.3	532.2	563.8	558.8	544.4	560.5
Ending stocks (metric tons) 3/	149.8	120.5	121.5	145.9	129.7	146.2	147.8
Coarse grains							
Area (hectares)	323.3	323.2	320.8	314.2	317.8	317.0	310.9
Production (metric tons)	784.2	721.1	791.0	820.8	803.4	856.6	780.0
Exports (metric tons) 1/	88.2	95.3	103.8	88.1	93.5	88.2	84.6
Consumption (metric tons) 2/	807.2	785.0	814.1	808.5	809.4	828.3	819.8
Ending stocks (metric tons) 3/	215.0	151.0	128.0	140.3	134.3	162.6	122.8
Rice, milled							
Area (hectares)	141.7	145.5	146.6	146.7	145.7	145.2	143.9
Production (metric tons)	314.5	330.1	343.1	350.7	348.3	351.3	347.5
Exports (metric tons) 4/	11.2	13.9	11.7	12.0	14.1	15.0	15.5
Consumption (metric tons) 2/	319.9	327.7	336.4	345.8	352.8	354.8	355.5
Ending stocks (metric tons) 3/	45.5	47.8	54.5	59.4	54.9	51.4	43.6
Total grains							
Area (hectares)	684.7	686.1	693.2	692.4	685.9	685.1	677.7
Production (metric tons)	1,594.7	1,546.2	1,667.3	1,759.7	1,694.3	1,768.8	1,689.7
Exports (metric tons) 1/	211.5	211.5	217.8	201.3	216.3	213.4	199.8
Consumption (metric tons) 2/	1,652.4	1,637.0	1,682.7	1,718.1	1,721.0	1,727.5	1,735.8
Ending stocks (metric tons) 3/	410.3	319.3	304.0	345.6	318.9	360.2	314.2
Oilseeds							
Crush (metric tons)	168.4	164.5	171.7	176.5	184.2	184.2	185.6
Production (metric tons)	210.5	201.6	212.4	215.7	223.6	226.8	223.7
Exports (metric tons)	39.5	31.5	35.6	33.4	37.7	37.7	37.4
Ending stocks (metric tons)	24.0	22.1	23.7	23.4	21.8	23.1	19.3
Meals							
Production (metric tons)	115.4	111.1	117.0	119.2	124.4	124.9	126.9
Exports (metric tons)	35.8	37.4	39.9	40.7	43.1	41.8	43.2
Oils							
Production (metric tons)	53.3	53.3	57.1	58.0	60.3	60.9	62.7
Exports (metric tons)	17.5	18.1	20.4	20.6	20.8	20.7	21.4
Cotton							
Area (hectares)	30.9	33.8	31.5	33.1	34.8	32.8	31.5
Production (bales)	81.1	84.4	79.8	87.0	96.0	82.8	77.7
Exports (bales)	29.9	33.1	31.3	29.7	28.4	24.8	26.0
Consumption (bales)	84.2	85.3	86.6	85.5	84.5	85.6	85.0
Ending stocks (bales)	32.7	31.7	26.2	28.5	40.6	38.4	31.1

	1988	1989	1990	1991	1992	1993 P	1994 F
Red meat							
Production (metric tons)	112.8	114.2	116.3	117.7	116.1	118.9	120.7
Consumption (metric tons)	110.8	112.8	114.2	115.8	116.5	117.6	119.4
Exports (metric tons) 1/	6.9	7.0	7.1	7.4	7.0	6.6	6.9
Poultry 5/							
Production (metric tons)	32	33.1	35.0	36.8	39	40.5	42.1
Consumption (metric tons)	31.4	32.6	34.3	36.2	38.5	39.8	41.4
Exports (metric tons) 1/	1.7	1.7	1.9	2.2	2.3	2.6	2.8
Dairy							
Milk production (metric tons) 6/	—	387.4	395.3	385.3	379.6	379.9	380.4

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1988 data correspond with 1987/88, etc. 5/ Poultry excludes the Peoples Republic of China before 1986. 6/ Data prior to 1989 no longer comparable. P = preliminary. F = forecast. — = not available.

Information contacts: Crops, Carol Whitton (202) 219-0824; red meat & poultry, Linda Bailey (202) 219-1285; dairy, Sara Short (202) 219-0770.

U.S. Agricultural Trade

Table 24.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1993						1994
	1991	1992	1993	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Export commodities										
Wheat, f.o.b. vessel, Gulf ports ($/bu.)	3.52	4.13	3.83	4.25	3.56	3.58	3.72	3.99	4.33	4.22
Corn, f.o.b. vessel, Gulf ports ($/bu.)	2.75	2.66	2.62	2.43	2.61	2.59	2.71	2.97	3.10	3.23
Grain sorghum, f.o.b. vessel, Gulf ports ($/bu.)	2.69	2.63	2.56	2.44	2.58	2.52	2.57	2.93	3.07	3.14
Soybeans, f.o.b. vessel, Gulf ports ($/bu.)	6.05	6.01	6.53	6.08	7.01	6.69	6.40	6.88	7.18	7.30
Soybean oil, Decatur (cts./lb.)	20.14	19.16	22.83	21.20	23.34	23.51	22.90	25.42	28.19	29.89
Soybean meal, Decatur ($/ton)	172.90	177.79	199.18	188.18	219.06	202.13	195.43	211.31	206.81	198.44
Cotton, 7-market avg. spot (cts./lb.)	69.69	53.90	55.36	53.72	53.04	54.01	54.57	55.61	60.29	68.53
Tobacco, avg. price at auction (cts./lb.)	179.23	172.58	171.20	181.01	159.51	173.08	174.92	181.01	181.47	181.01
Rice, f.o.b. mill, Houston ($/cwt)	16.46	16.80	16.12	15.25	13.50	13.50	16.13	23.50	25.50	25.50
Inedible tallow, Chicago (cts./lb.)	13.26	14.37	14.89	15.09	14.25	14.47	14.67	14.50	14.74	15.33
Import commodities										
Coffee, N.Y. spot ($/lb.)	0.71	0.50	0.59	0.58	0.63	0.68	0.66	0.65	0.63	0.64
Rubber, N.Y. spot (cts./lb.)	45.73	46.25	45.00	48.03	43.85	44.54	44.23	44.91	44.75	44.91
Cocoa beans, N.Y. ($/lb.)	0.52	0.47	0.47	0.45	0.46	0.53	0.53	0.54	0.57	0.53

Information contact: Mary Teymourian (202) 219–0824.

Table 25.—Indexes of Real Trade-Weighted Dollar Exchange Rates 1/

	1993									1994
	Mar	Apr	May	June	July	Aug P	Sept P	Oct P	Nov P	Dec P	Jan P
	1985 = 100									
Total U.S. trade 2/	68.4	68.0	67.4	66.8	68.8	68.8	67.1	68.2	69.7	69.9	70.4
Agricultural trade										
U.S. markets	78.0	76.1	77.3	76.1	77.1	76.8	76.0	76.7	77.5	77.7	78.1
U.S. competitors	78.4	76.9	79.2	77.6	78.5	78.6	78.0	78.2	78.5	78.2	78.9
Wheat											
U.S. markets	97.5	95.1	94.1	93.6	94.0	93.2	92.4	92.7	92.8	92.7	93.0
U.S. competitors	73.6	73.2	82.7	74.9	75.7	76.8	76.8	77.1	77.0	76.5	76.4
Soybeans											
U.S. markets	65.5	63.6	63.9	64.3	65.8	65.5	64.2	65.0	66.4	66.6	67.3
U.S. competitors	52.2	51.5	51.1	50.3	50.1	49.6	49.3	49.3	49.0	49.0	49.7
Corn											
U.S. markets	68.5	66.7	66.7	66.4	67.3	66.8	66.4	67.1	67.9	68.2	68.7
U.S. competitors	58.8	57.5	57.2	57.8	59.2	59.7	58.2	58.7	59.6	59.2	59.6
Cotton											
U.S. markets	73.2	71.6	72.2	71.1	72.0	71.6	71.3	72.1	72.7	72.9	73.1
U.S. competitors	107.5	105.7	105.4	104.4	105.7	105.9	105.2	104.9	106.1	109.5	111.5

1/ Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of Agricultural Outlook for a discussion of the calculations and the weights used. 2/ Federal Reserve Board index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Tim Baxter (202) 219–0782.

Table 26.—Trade Balance

	Fiscal year 1/								Dec
	1987	1988	1989	1990	1991	1992	1993	1994 F	1993
	$ million								
Exports									
Agricultural	27,876	35,316	39,590	40,220	37,609	42,430	42,590	42,500	4,083
Nonagricultural	202,911	258,656	301,269	326,059	356,682	383,517	390,770	—	35,136
Total 2/	230,787	293,972	340,859	366,279	394,291	425,947	433,360	—	39,219
Imports									
Agricultural	20,650	21,014	21,476	22,560	22,588	24,323	24,454	24,500	2,407
Nonagricultural	367,374	409,138	441,075	458,101	463,720	488,556	537,584	—	46,232
Total 3/	386,024	430,152	462,551	480,661	486,308	512,879	562,038	—	48,639
Trade balance									
Agricultural	7,226	14,302	18,114	17,660	15,021	18,107	18,136	18,000	1,676
Nonagricultural	-164,463	-150,482	-139,806	-132,042	-107,038	-105,039	-146,814	—	-11,096
Total	-157,237	-136,180	-121,692	-114,382	-92,017	-86,932	-128,678	—	-9,420

1/ Fiscal years begin October 1 & end September 30. Fiscal year 1993 began Oct. 1, 1992 & ended Sept. 30, 1993. 2/ Domestic exports including Department of Defense shipments (F.A.S. value). 3/ Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Joel Greene (202) 219–0822.

Table 27.—U.S. Agricultural Exports & Imports

	Fiscal year*			Dec	Fiscal year*			Dec
	1992	1993	1994 F	1993	1992	1993	1994 F	1993
	1,000 units				$ million			
EXPORTS								
Animals, live (no.) 1/	1,476	1,107	--	122	567	358	--	47
Meats & preps., excl. poultry (mt)	1,107	1,160	2/ 1,000	117	3,236	3,349	--	284
Dairy products (mt) 1/	174	211	--	34	641	762	900	86
Poultry meats (mt)	794	986	1,100	128	915	1,031	--	130
Fats, oils, & greases (mt)	1,392	1,362	1,300	138	498	519	--	50
Hides & skins incl. furskins	--	--	--	--	1,336	1,288	--	106
Cattle hides, whole (no.) 1/	20,803	19,784	--	1,642	1,106	1,062	--	89
Mink pelts (no.) 1/	3,160	3,119	--	64	52	56	--	2
Grains & feeds (mt)	100,881	103,743	--	8,978	13,873	14,104	3/ 13,700	1,297
Wheat (mt)	34,322	36,078	31,500	3,315	4,323	4,737	4/ 4,300	425
Wheat flour (mt)	813	1,075	1,100	63	165	217	--	10
Rice (mt)	2,279	2,710	2,700	205	757	766	1,100	67
Feed grains, incl. products (mt)	50,752	50,705	39,100	4,248	5,801	5,261	4,700	517
Feeds & fodders (mt)	11,267	11,500	5/ 12,000	1,031	2,019	2,147	--	201
Other grain products (mt)	1,448	1,676	--	117	807	976	--	76
Fruits, nuts, & preps. (mt)	3,505	3,398	--	283	3,514	3,409	3,900	319
Fruit juices incl. froz. (1,000 hectoliters) 1/	7,767	7,645	--	436	427	423	--	32
Vegetables & preps. (mt)	2,703	2,790	--	229	2,790	3,220	--	280
Tobacco, unmanufactured (mt)	246	231	--	20	1,568	1,443	1,200	129
Cotton, excl. linters (mt)	1,494	1,125	1,500	124	2,183	1,526	2,000	164
Seeds (mt)	612	533	--	50	650	648	700	77
Sugar, cane or beet (mt) 1/	492	337	--	39	154	106	--	9
Oilseeds & products (mt)	28,671	29,190	--	12,751	7,162	7,211	7,000	789
Oilseeds (mt)	19,939	21,049	--	2,080	4,735	4,982	--	558
Soybeans (mt)	19,277	20,400	16,500	2,011	4,318	4,606	4,300	520
Protein meal (mt)	7,082	6,539	--	464	1,445	1,261	--	96
Vegetable oils (mt)	1,651	1,601	--	208	982	968	--	135
Essential oils (mt)	13	13	--	1	184	185	--	19
Other	91	92	--	13	2,733	3,011	--	267
Total	142,175	145,171	127,100	12,905	42,430	42,590	42,500	4,083
IMPORTS								
Animals, live (no.) 1/	2,830	3,461	--	284	1,275	1,569	1,600	104
Meats & preps., excl. poultry (mt)	1,134	1,128	--	75	2,684	2,726	--	177
Beef & veal (mt)	813	793	780	42	1,933	1,919	1,900	102
Pork (mt)	263	276	315	27	625	663	800	62
Dairy products (mt) 1/	232	231	--	27	816	860	900	96
Poultry & products 1/	--	--	--	--	132	137	--	10
Fats, oils, & greases (mt)	46	44	--	3	26	30	--	2
Hides & skins, incl. furskins 1/	--	--	--	--	185	181	--	16
Wool, unmanufactured (mt)	54	60	--	5	167	173	--	14
Grains & feeds (mt)	5,446	4,942	7,100	985	1,548	1,639	2,100	196
Fruits, nuts, & preps., excl. juices (mt)	5,883	6,089	5,980	466	2,919	2,988	--	233
Bananas & plantains (mt)	3,626	3,737	3,700	285	1,083	1,083	1,000	80
Fruit juices (1,000 hectoliters) 1/	26,049	27,053	22,000	2,669	871	640	--	57
Vegetables & preps. (mt)	2,171	2,733	--	250	2,125	2,440	2,500	224
Tobacco, unmanufactured (mt)	364	386	250	116	1,299	1,101	700	364
Cotton, unmanufactured (mt)	11	12	--	1	10	11	--	1
Seeds (mt)	174	189	220	20	214	214	200	20
Nursery stock & cut flowers 1/	--	--	--	--	578	629	--	53
Sugar, cane or beet (mt)	1,623	1,569	--	87	633	591	--	33
Oilseeds & products (mt)	2,330	2,484	--	261	1,124	1,204	1,400	107
Oilseeds (mt)	429	373	--	97	135	130	--	27
Protein meal (mt)	629	618	--	68	84	89	--	9
Vegetable oils (mt)	1,273	1,492	--	96	904	985	--	72
Beverages excl. fruit juices (1,000 hectoliters) 1/	13,739	14,014	--	1,184	2,044	1,975	--	176
Coffee, tea, cocoa, spices (mt)	2,391	2,244	2,300	213	3,415	3,018	--	317
Coffee, incl. products (mt)	1,330	1,185	1,250	98	1,798	1,502	1,600	157
Cocoa beans & products (mt)	773	770	750	88	1,122	1,028	1,000	113
Rubber & allied gums (mt)	920	981	1,200	87	756	839	900	72
Other	--	--	--	--	1,503	1,488	--	134
Total	--	--	--	--	24,323	24,454	24,500	2,407

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1993 began Oct. 1, 1992 & ended Sept. 30, 1993. 1/ Not included in total volume. 2/ Forecasts for footnoted items 2/–5/ are based on slightly different groups of commodities. Totals for fiscal 1993 forecast commodities were 2/ 903 million tons. 3/ $14.332 million. 4/ $4,954 million, includes flour. 5/ $11,885 million. F = forecast. — = not available.

Information contact: Joel Greene (202) 219–0822.

Table 28.—U.S. Agricultural Exports by Region

Region & country	Fiscal year* 1992	Fiscal year* 1993	Fiscal year* 1994 F	Dec 1993	Change from year* earlier 1992	Change from year* earlier 1993	Change from year* earlier 1994 F	Dec 1993
	$ million				Percent			
WESTERN EUROPE	7,740	7,499	7,300	759	6	-3	-3	0
European Community (EC-12)	7,193	7,022	6,800	714	6	-2	-3	-2
Belgium-Luxembourg	461	482	--	43	-1	5	--	-15
France	618	613	—	62	8	-1	--	11
Germany	1,091	1,146	--	102	-4	5	—	-11
Italy	684	568	--	102	1	-17	--	8
Netherlands	1,812	1,801	--	152	16	-1	--	-32
United Kingdom	882	916	—	90	0	4	—	9
Portugal	240	223	--	22	-4	-7	--	-6
Spain, incl. Canary Islands	951	829	—	84	11	-13	—	64
Other Western Europe	546	477	500	44	2	-13	5	34
Switzerland	187	152	--	15	-4	-19	--	25
EASTERN EUROPE	222	468	400	27	-27	111	-15	3
Poland	49	230	—	6	7	368	—	-44
Former Yugoslavia	50	47	--	7	-32	-6	--	906
Romania	76	107	--	9	-7	42	—	59
Former Soviet Union	2,704	1,561	1,300	217	54	-42	-17	53
ASIA	17,782	17,832	16,400	1,767	10	0	-8	12
West Asia (Mideast)	1,770	1,922	2,000	154	24	9	4	-7
Turkey	344	369	--	29	54	7	—	-15
Iraq	0	1	0	0	0	150	0	0
Israel, incl. Gaza & W. Bank	346	382	400	23	21	10	5	-46
Saudi Arabia	549	463	500	33	2	-16	8	-39
South Asia	536	641	—	75	43	20	—	-7
Bangladesh	123	52	--	18	84	-58	--	70
India	117	226	—	20	24	93	—	-24
Pakistan	228	236	300	22	57	4	27	-31
China	690	322	300	18	3	-53	-7	-34
Japan	8,383	8,461	9,100	821	8	1	8	15
Southeast Asia	1,470	1,551	--	157	19	6	--	-1
Indonesia	353	327	—	30	27	-7	—	14
Philippines	443	512	600	38	19	16	17	-38
Other East Asia	4,934	4,935	5,000	541	6	0	1	27
Taiwan	1,916	1,999	2,100	194	10	4	5	2
Korea, Rep.	2,200	2,041	1,900	83	2	-7	-7	21
Hong Kong	817	880	900	264	10	8	2	58
AFRICA	2,304	2,671	2,400	249	22	16	-10	3
North Africa	1,411	1,659	1,600	194	2	18	-4	49
Morocco	156	310	—	19	21	98	--	65
Algeria	478	458	500	79	0	-4	9	154
Egypt	709	756	700	86	2	7	-7	7
Sub-Sahara	893	1,012	800	55	80	13	-21	-50
Nigeria	31	158	—	16	-30	413	--	-7
Rep. S. Africa	328	383	--	3	343	17	--	-92
LATIN AMERICA & CARIBBEAN	6,438	6,883	6,900	599	17	7	0	3
Brazil	143	231	200	22	-47	61	-13	-6
Caribbean Islands	970	1,015	—	93	-4	5	--	11
Central America	587	675	--	66	18	15	—	43
Colombia	142	234	—	21	15	65	--	18
Mexico	3,676	3,660	3,900	317	27	0	7	-1
Peru	179	172	--	13	19	-4	--	-2
Venezuela	394	502	400	35	28	27	-20	5
CANADA	4,812	5,220	5,400	418	9	8	3	-1
OCEANIA	428	456	400	48	23	6	-12	6
TOTAL	42,430	42,590	42,500	4,083	13	0	0	8
Developed countries	21,968	22,337	22,600	2,068	9	2	1	2
Developing countries	19,771	19,918	--	1,997	17	1	--	15
Other countries	691	335	—	18	3	-51	--	-34

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1993 began Oct. 1, 1992 & ended Sept. 30, 1993. F = forecast. -- = not available.
Note: Adjusted for transshipments through Canada.

Information contact: Joel Greene (202) 219-0822.

Farm Income

Table 29.—Farm Income Statistics

	Calendar year										
	1984	1985	1986	1987	1988	1989	1990	1991	1992 P	1993 F	1994 F
	$ billion										
1. Farm receipts	147.7	150.1	140.9	148.5	158.4	168.9	177.5	176.5	178.8	179	183 to 190
Crops (incl. net CCC loans)	69.9	74.3	63.7	65.9	71.7	77.0	80.1	81.9	84.8	82	87 to 91
Livestock	72.9	69.8	71.6	76.0	79.4	84.1	89.8	86.6	86.4	90	87 to 91
Farm related 1/	4.9	6.0	5.7	6.6	7.3	7.8	7.6	7.8	7.6	7	7 to 9
2. Direct Government payments	8.4	7.7	11.8	16.7	14.5	10.9	9.3	8.2	9.2	11	10 to 12
Cash payments	4.0	7.6	8.1	6.6	7.1	9.1	8.4	8.2	9.2	11	10 to 11
Value of PIK commodities	4.5	0.1	3.7	10.1	7.4	1.7	0.9	0.0	0.0	0	0 to 1
3. Gross cash income (1+2) 2/	156.1	157.9	152.8	165.1	172.9	179.8	186.8	184.7	187.9	190	193 to 201
4. Nonmoney income 3/	5.9	5.6	5.5	5.6	6.3	6.3	6.2	5.9	6.1	6	6 to 7
5. Value of inventory change	6.0	-2.3	-2.2	-2.3	-3.4	4.8	3.4	-0.3	3.8	-3	3 to 7
6. Total gross farm income (3+4+5)	168.0	161.2	156.1	168.5	175.8	190.9	196.4	190.3	197.7	194	204 to 213
7. Cash expenses 4/	118.7	110.7	105.0	109.4	118.4	125.1	130.9	131.4	130.2	131	130 to 138
8. Total expenses	141.9	132.4	125.1	128.8	137.0	144.0	149.9	150.3	149.1	151	150 to 159
9. Net cash income (3–7)	37.4	47.1	47.8	55.8	54.5	54.7	55.9	53.3	57.7	59	58 to 66
10. Net farm income (6–8)	26.1	28.8	31.0	39.7	38.8	46.9	46.5	40.0	48.6	43	50 to 58
Deflated (1987$)	28.7	30.5	32.0	39.7	37.3	43.3	41.1	34.0	40.2	35	40 to 46

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. P = preliminary. F = forecast.
Note: 1988–92 accounts (primarily expenses) have been revised to reflect improved methods for estimating farm income. Call contact for information.

Information contact: Robert McElroy (202) 219–0800.

Table 30.—Average Income to Farm Operator Households

	Calendar year						
	1989	1990	1991	1992 P	1993 F		1994 F
	$ per operator household						
Farm income to household 1/	5,796	5,742	4,397	4,882	4,900	4,500	to 5,500
Self-employment farm income	4,723	4,973	2,283	3,677	n/a		n/a
Other farm income to household	1,073	768	2,114	1,205	n/a		n/a
Plus: Total off-farm income	26,223	33,265	31,638	35,731	35,000	31,500	to 41,500
Income from wages, salaries, and non-farm businesses	19,467	24,778	23,551	27,022	n/a		n/a
Income from interest, dividends, transfer payments, etc.	6,756	8,487	8,087	8,709	n/a		n/a
Equals: Farm operator household income	32,019	39,007	36,035	40,613	39,800	36,000	to 47,000

1/ Farm income to the household equals self-employment income plus amounts that operators pay themselves & family members to work on the farm, income from renting out acreage, & net income from a farm business other than the one being surveyed. Data for 1989–90 are based on surveys that did not fully account for small farms. Data for 1991 include an additional 350,000 farms, many with gross sales under $10,000 & negative net farm incomes. P = preliminary. F = forecasts. n/a = not available at this time.

Information contact: Janet Perry (202) 219–0807.

Table 31.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1984	1985	1986	1987	1988	1989	1990	1991	1992 P	1993 F	1994 F
						$ billion					
Assets											
Real estate	661.8	586.2	542.3	578.9	595.5	615.7	628.2	623.2	633.1	648	660 to 670
Non-real estate	195.2	186.5	182.1	193.7	205.6	214.1	220.2	219.1	228.4	230	230 to 240
Livestock & poultry	49.5	46.3	47.8	58.0	62.2	66.2	70.9	68.1	71.3	71	72 to 76
Machinery & motor vehicles	85.0	82.9	81.5	80.0	81.2	85.1	85.4	85.8	86.9	88	85 to 89
Crops stored 2/	26.1	22.9	16.3	17.5	23.3	23.4	22.8	22.0	24.1	25	24 to 26
Purchased inputs	2.0	1.2	2.1	3.2	3.5	2.6	2.8	2.6	3.9	3	2 to 4
Financial assets	32.6	33.3	34.5	35.1	35.4	36.8	38.3	40.6	43.4	45	45 to 49
Total farm assets	857.0	772.7	724.4	772.6	801.1	829.7	848.4	842.2	861.5	878	895 to 905
Liabilities											
Real estate debt 3/	106.7	100.1	90.4	82.4	77.6	75.4	74.1	74.6	75.6	76	76 to 80
Non-real estate debt 4/	97.1	77.5	66.6	62.0	61.7	61.9	63.2	64.3	63.6	65	64 to 68
Total farm debt	193.8	177.6	157.0	144.4	139.4	137.2	137.4	138.9	139.3	141	141 to 147
Total farm equity	663.3	595.1	567.5	628.2	661.7	692.4	710.9	703.3	722.2	737	750 to 760
						Percent					
Selected ratios											
Debt-to-assets	22.6	23.0	21.7	18.7	17.4	16.5	16.2	16.5	16.2	16	15 to 17
Debt-to-equity	29.2	29.8	27.7	23.0	21.1	19.8	19.3	19.7	19.3	19	18 to 20
Debt-to-net cash income	518	377	328	259	256	251	246	260	241	237	240 to 250

1/ As of Dec. 31. 2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 219-0798.

Table 32.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1992	1993	Nov 1993	Dec 1993	1992	1993	Nov 1993	Dec 1993	1992	1993	Nov 1993	Dec 1993
	$ million 2/											
NORTH ATLANTIC												
Maine	301	316	28	27	213	202	24	18	513	517	53	45
New Hampshire	65	65	6	6	79	79	6	6	144	144	12	11
Vermont	389	378	32	37	63	61	5	3	452	439	37	40
Massachusetts	135	135	11	11	356	360	58	36	491	495	69	47
Rhode Island	13	13	1	1	60	59	4	7	72	72	5	8
Connecticut	240	274	26	23	249	242	18	16	489	517	44	40
New York	1,914	1,886	164	187	1,032	1,032	93	107	2,946	2,918	257	294
New Jersey	192	192	16	16	465	465	45	28	657	657	61	44
Pennsylvania	2,554	2,576	226	241	1,064	1,079	105	99	3,618	3,655	331	340
NORTH CENTRAL												
Ohio	1,580	1,632	145	134	2,587	2,548	281	248	4,167	4,180	426	382
Indiana	1,821	1,918	174	158	2,684	3,185	385	328	4,505	5,103	559	486
Illinois	2,202	2,259	180	193	5,431	5,814	546	483	7,634	8,073	726	676
Michigan	1,325	1,353	122	124	1,962	2,396	253	303	3,286	3,749	375	427
Wisconsin	4,313	4,300	346	462	1,186	1,113	154	127	5,499	5,414	500	589
Minnesota	3,622	3,721	311	308	3,460	2,816	402	355	7,082	6,537	713	663
Iowa	5,614	5,898	456	526	4,716	4,213	395	395	10,330	10,111	851	921
Missouri	2,188	2,303	198	178	1,935	1,797	179	180	4,123	4,100	377	359
North Dakota	755	771	83	69	2,339	2,264	308	263	3,094	3,035	391	331
South Dakota	1,966	2,057	200	140	1,263	1,181	156	138	3,229	3,238	356	278
Nebraska	5,674	5,852	455	353	3,109	3,096	404	480	8,783	8,949	859	833
Kansas	4,558	4,675	303	530	2,442	2,621	370	341	7,000	7,295	673	870
SOUTHERN												
Delaware	451	501	39	38	184	170	20	9	636	671	59	47
Maryland	804	855	70	88	587	548	64	35	1,391	1,402	133	124
Virginia	1,353	1,417	132	110	781	687	67	56	2,134	2,105	199	166
West Virginia	267	258	25	19	75	75	7	8	343	334	32	27
North Carolina	2,795	3,132	308	245	2,386	2,225	174	140	5,181	5,357	481	385
South Carolina	545	550	51	48	632	594	39	43	1,177	1,144	90	91
Georgia	2,309	2,495	199	199	1,764	1,603	163	133	4,073	4,098	362	332
Florida	1,160	1,171	96	96	4,985	4,748	259	418	6,145	5,919	355	513
Kentucky	1,641	1,686	241	91	1,580	1,675	295	441	3,221	3,361	536	533
Tennessee	1,061	1,076	95	86	1,042	1,002	206	191	2,103	2,078	301	277
Alabama	2,063	2,152	174	152	768	738	81	81	2,830	2,890	255	233
Mississippi	1,355	1,507	119	121	1,247	1,041	209	200	2,602	2,548	328	321
Arkansas	2,702	2,855	249	221	1,901	1,516	291	241	4,602	4,370	540	462
Louisiana	587	614	48	47	1,259	1,095	243	262	1,846	1,709	292	309
Oklahoma	2,498	2,683	152	123	1,137	1,096	119	101	3,635	3,780	271	224
Texas	7,523	8,221	616	466	4,097	4,202	596	614	11,620	12,423	1,212	1,080
WESTERN												
Montana	921	986	177	90	821	818	141	108	1,742	1,804	318	198
Idaho	1,173	1,231	102	95	1,643	1,714	261	198	2,816	2,945	364	293
Wyoming	606	634	71	43	167	158	44	29	773	792	115	72
Colorado	2,955	3,051	311	198	1,083	1,184	162	170	4,038	4,235	473	368
New Mexico	1,040	1,104	124	67	490	486	52	48	1,530	1,590	176	115
Arizona	892	1,003	73	72	943	1,072	108	153	1,835	2,074	181	225
Utah	556	555	50	53	182	188	19	19	738	743	69	72
Nevada	202	202	13	14	71	94	9	10	273	295	22	23
Washington	1,532	1,520	139	128	2,922	2,899	287	246	4,454	4,419	408	374
Oregon	795	801	78	66	1,695	1,718	202	153	2,490	2,519	280	219
California	5,055	5,355	425	523	13,179	12,755	1,692	1,347	18,234	18,110	2,117	1,870
Alaska	6	6	0	0	20	20	2	2	25	25	3	3
Hawaii	88	89	7	7	476	405	34	34	564	494	42	41
UNITED STATES	86,358	90,283	7,671	7,232	84,810	83,150	10,017	9,450	171,168	173,433	17,688	16,681

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

Information contact: Roger Strickland (202) 219-0806. To receive current monthly cash receipts via postal mail or e-mail contact Bob Dubman at (202) 219-0804

Table 33.—Cash Receipts From Farming

	Annual						1992	1993				
	1988	1989	1990	1991	1992	1993	Dec	Aug	Sept	Oct	Nov	Dec
							$ million					
Farm marketings & CCC loans*	151,154	161,163	169,973	168,721	171,168	173,433	15,862	13,714	14,702	19,393	17,688	16,681
Livestock & products	79,434	84,122	89,843	86,780	86,358	90,283	8,649	7,840	7,653	8,587	7,671	7,232
Meat animals	46,492	46,857	51,911	51,089	48,427	51,353	3,537	4,657	4,541	5,239	4,237	3,706
Dairy products	17,641	19,396	20,149	18,037	19,846	19,619	1,636	1,560	1,499	1,578	1,599	1,934
Poultry & eggs	12,868	15,372	15,243	15,122	15,441	16,661	1,292	1,419	1,382	1,580	1,519	1,408
Other	2,433	2,498	2,540	2,531	2,642	2,650	183	204	231	190	316	183
Crops	71,720	77,040	80,130	81,942	84,810	83,150	9,213	5,875	7,048	10,806	10,017	9,450
Food grains	7,469	8,247	7,517	7,410	8,890	7,985	639	774	535	886	803	732
Feed crops	14,283	17,054	18,671	19,491	20,073	19,526	2,442	1,360	1,300	1,737	2,407	2,495
Cotton (lint & seed)	4,546	5,033	5,489	5,236	5,207	5,181	1,193	82	239	754	1,154	1,552
Tobacco	2,083	2,415	2,741	2,886	2,961	2,956	651	504	471	432	343	571
Oil-bearing crops	13,500	11,866	12,258	12,700	12,996	13,055	1,132	402	1,170	3,498	1,419	1,026
Vegetables & melons	9,818	11,596	11,449	11,552	11,436	11,631	711	1,202	1,196	1,157	640	574
Fruits & tree nuts	9,027	9,173	9,440	9,886	10,183	9,917	1,028	836	1,040	1,195	1,415	1,069
Other	10,993	11,657	12,566	12,778	13,065	12,899	1,417	713	1,096	1,147	1,837	1,430
Government payments	14,480	10,887	9,298	8,214	9,169	13,174	1201	86	225	828	1667	1731
Total	165,582	171,914	179,218	175,506	179,338	186,607	17,063	13,800	14,927	20,221	19,355	18,412

*Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. — = not available.

Information contact: Roger Strickland (202) 219-0806. To receive current monthly cash receipts via mail contact Bob Dubman at (202) 219-0804.

Table 34.—Farm Production Expenses

	Calendar year										
	1985	1986	1987	1988	1989	1990	1991	1992 P	1993 F	1994 F	
						$ million					
Feed purchased	18,949	17,472	17,463	20,246	20,744	20,387	19,330	19,832	20,000	19,000	to 23,000
Livestock & poultry purchased	9,184	9,758	11,842	12,764	13,138	14,833	14,272	13,780	15,000	12,000	to 18,000
Seed purchased	3,128	3,188	3,259	4,062	4,400	4,521	5,119	4,916	5,000	4,000	to 8,000
Farm-origin inputs	29,261	30,418	32,564	37,071	38,281	39,742	38,722	38,531	40,000	39,000	to 43,000
Fertilizer & lime	7,512	6,820	6,453	7,681	8,177	8,210	8,671	8,340	8,000	7,000	to 11,000
Fuels & oils	6,436	5,310	4,957	4,800	4,772	5,790	5,599	5,311	5,000	4,000	to 7,000
Electricity	1,878	1,795	2,156	2,360	2,648	2,607	2,634	2,611	3,000	2,000	to 4,000
Pesticides	4,334	4,324	4,512	4,148	5,013	5,364	6,324	6,475	7,000	6,000	to 8,000
Manufactured inputs	20,159	18,249	18,078	18,987	20,610	21,971	23,229	22,736	23,000	22,000	to 26,000
Short-term interest	8,735	7,367	6,767	6,674	6,660	6,528	6,124	5,793	5,000	4,000	to 7,000
Real estate interest 1/	9,878	9,131	8,205	7,581	7,190	6,740	5,963	5,592	5,000	5,000	to 7,000
Total interest charges	18,613	16,498	14,972	14,255	13,850	13,268	12,088	11,385	11,000	10,000	to 14,000
Repair & maintenance 1/	8,370	8,426	8,759	7,717	8,407	8,553	8,630	8,469	9,000	8,000	to 10,000
Contract & hired labor	10,008	9,484	9,975	10,954	11,928	13,950	13,928	14,060	14,000	12,000	to 16,000
Machine hire & custom work	2,354	2,099	2,105	2,510	2,937	2,959	3,085	3,317	3,000	3,000	to 5,000
Marketing, storage, & transportation	4,127	3,652	4,078	3,516	4,206	4,211	4,719	4,642	4,000	4,000	to 8,000
Misc. operating expenses 1/ 2/	10,010	9,759	11,171	12,001	12,003	12,727	13,539	12,844	13,000	11,000	to 15,000
Other operating expenses	32,868	31,420	34,088	36,697	39,481	42,400	43,899	43,232	44,000	42,000	to 47,000
Capital consumption 1/	19,299	17,788	17,091	17,378	17,663	17,662	17,645	17,769	18,000	17,000	to 21,000
Taxes 1/	4,542	4,612	4,853	4,955	5,214	5,690	5,813	5,838	6,000	5,000	to 7,000
Net rent to nonoperator landlords	7,690	6,099	7,124	7,684	8,731	9,164	9,112	9,603	9,000	9,000	to 11,000
Other overhead expenses	31,531	28,499	29,069	30,016	31,807	32,517	32,370	33,210	33,000	33,000	to 36,000
Total production expenses	132,433	125,084	128,772	137,026	144,029	149,897	150,307	149,094	151,000	150,000	to 159,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases, dairy assessments & feeding fees paid by nonoperators. Totals may not add because of rounding. P = preliminary. F = forecast.

Information contacts: Chris McGath (202) 219-0804, Robert McElroy (202) 219-0800.

Table 35.—CCC Net Outlays by Commodity & Function

	Fiscal year									
	1986	1987	1988	1989	1990	1991	1992	1993	1994 E	1995 E
					$ million					
COMMODITY/PROGRAM										
Feed grains										
Corn	10,524	12,346	8,227	2,863	2,450	2,387	2,105	5,143	568	1,322
Grain sorghum	1,185	1,203	764	467	361	243	190	410	120	154
Barley	471	394	57	45	-93	71	174	188	191	132
Oats	26	17	-2	1	-5	12	32	16	7	4
Corn & oat products	5	7	7	8	8	9	9	10	11	0
Total feed grains	12,211	13,967	9,053	3,384	2,721	2,722	2,510	5,765	897	1,612
Wheat	3,440	2,836	678	53	806	2,958	1,719	2,185	1,806	1,924
Rice	947	906	128	631	667	867	715	887	820	314
Upland cotton	2,142	1,786	666	1,461	-79	382	1,443	2,239	1,670	1,160
Tobacco	253	-348	-453	-367	-307	-143	29	235	403	-183
Dairy	2,337	1,166	1,295	679	505	839	232	253	256	264
Soybeans	1,597	-476	-1,676	-86	5	40	-29	109	-147	-57
Peanuts	32	8	7	13	1	48	41	-13	97	32
Sugar	214	-65	-246	-25	15	-20	-19	-35	-24	-33
Honey	89	73	100	42	47	19	17	22	8	-4
Wool	123	152	1/ 5	93	104	172	191	179	198	137
Operating expense 3/	457	535	614	620	618	625	6	6	7	8
Interest expenditure	1,411	1,219	425	98	632	745	532	129	134	111
Export programs 4/	102	276	200	-102	-34	733	1,459	2,193	1,985	1,520
1989/95 Disaster/Tree/ livestock assistance	0	0	0	3,919	2/ 161	121	1,054	944	2,702	1,000
Other	486	371	1,665	110	609	2	-162	949	1,306	1,192
Total	25,841	22,408	12,461	10,523	6,471	10,110	9,738	16,047	12,118	8,997
FUNCTION										
Price-support loans (net)	13,628	12,199	4,579	-926	-399	418	584	2,065	443	-71
Direct payments 5/										
Deficiency	6,166	4,833	3,971	5,798	4,178	6,224	5,491	8,607	4,347	4,733
Diversion	64	382	8	-1	0	0	0	0	0	0
Dairy termination	489	587	260	168	189	96	2	0	0	0
Loan Deficiency	27	60	0	42	3	21	214	387	423	9
Other	0	0	0	0	0	0	140	149	153	123
Disaster	0	0	6	4	0	0	0	0	0	0
Total direct payments	6,746	5,862	4,245	6,011	4,370	6,341	5,847	9,143	4,923	4,865
1988-95 crop disaster	0	0	0	3,386	2/ 5	6	960	872	2,646	1,000
Emergency livestock/tree/ forage assistance	0	0	31	533	156	115	94	72	56	0
Purchases (net)	1,670	-479	-1,131	116	-48	646	321	525	484	203
Producer storage payments	485	832	658	174	185	1	14	9	35	23
Processing, storage, & transportation	1,013	1,659	1,113	659	317	394	185	136	120	115
Operating expense 3/	457	535	614	620	618	625	6	6	7	8
Interest expenditure	1,411	1,219	425	98	632	745	532	129	134	111
Export programs 4/	102	276	200	-102	-34	733	1,459	2,193	1,985	1,520
Other	329	305	1,727	-46	669	86	-264	897	1,285	1,223
Total	25,841	22,408	12,461	10,523	6,471	10,110	9,738	16,047	12,118	8,997

1/ Fiscal 1988 wool & mohair program outlays were $130,635,000 but include a one-time advance appropriation of $126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately $1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates in FY 90 & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager. Market Promotion Program, starting in fiscal 1991 & starting in fiscal 1992 the Export Guarantee Program – Credit Reform, Export Enhancement Program, Dairy Export Incentive Program, and Technical Assistance to Emerging Democracies. 5/ Includes cash payments only. Excludes generic certificates in FY 86-93. E = Estimated in the FY 1995 President's Budget which was released February 7, 1994 based on November/December, 1993 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Information contact: Richard Pazdalski (202) 720-5148.

Food Expenditures

Table 36.—Food Expenditures

	Annual			1993	1994		1994 year-to-date	
	1991	1992	1993P	Dec	Jan	Feb P	Jan P	Feb P
				$ billion				
Sales 1/								
Off-premise use 2/	315.3	319.4	328.3	31.3	26.2	24.9	26.6	51.1
Meals & snacks 3/	232.4	240.4	254.4	22.1	18.9	18.7	19.6	37.6
				1992 $ billion				
Sales 1/								
Off-premise use 2/	317.6	319.3	320.9	30.1	25.0	23.8	25.3	48.8
Meals & snacks 3/	237.1	240.3	250.3	21.5	18.4	18.2	19.1	36.6
				Percent change from year earlier ($ bil.)				
Sales 1/								
Off-premise use 2/	4.2	1.3	2.8	7.6	1.7	1.9	2.9	1.8
Meals & snacks 3/	3.2	3.4	5.9	7.4	-1.0	1.0	2.8	1.2
				Percent change from year earlier (1992 $ bil.)				
Sales 1/								
Off-premise use 2/	1.5	0.5	0.5	4.0	-1.7	-0.6	-0.5	-1.2
Meals & snacks 3/	-0.2	1.3	4.2	5.4	-2.7	-0.7	1.1	-1.7

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. R = revised. P = preliminary.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food excluding alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr. Econ. Rpt. No. 575, Aug 1987.

Information contact: Alden Manchester (202) 219-0880.

Transportation

Table 37.—Rail Rates; Grain & Fruit-Vegetable Shipments

	Annual			1993						1994
	1991	1992	1993	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.3	109.9	110.8	110.5	110.9	110.9	111.3	111.1 P	111.1 P	111.2
Farm products	111.4	111.1	113.8	113.4	113.3	113.3	115.8	115.0 P	114.7 P	115.1
Grain	111.2	111.4	114.7	114.4	114.2	114.2	116.0	116.3 P	115.8 P	116.4
Food products	108.1	108.7	108.7	108.7	108.9	108.7	108.7	108.5 P	108.5 P	108.5
Grain shipments										
Rail carloadings (1,000 cars) 2/	26.6	27.4	27.5	29.6	25.6 P	26.9 P	28.8 P	27.4 P	26.2 P	26.0
Barge shipments (mil. ton) 3/	3.3	3.4	2.4	2.0	1.3	3.6	3.5	3.0	2.8	1.5
Fresh fruit & vegetable shipments 4/ 5/										
Piggy back (mil. cwt)	1.5	1.6	1.4	1.4	1.0	1.4	1.0	1.5	1.2	1.2
Rail (mil. cwt)	2.1	2.6	2.2	2.5	0.8	1.3	1.7	2.6	2.8	2.4
Truck (mil. cwt)	41.9	44.0	44.8	42.6	39.4	37.9	45.3	41.6	42.7	42.0
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	126.5	124.1	127.2	127.0	126.2	125.8	128.2	128.8	127.4	127.0

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways, U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. 5/ Preliminary data for 1994. P = preliminary. — = not available.

Information contact: T.Q. Hutchinson (202) 219-0840.

Indicators of Farm Productivity

Table 38.—Indexes of Farm Production, Input Use & Productivity

	1983	1984	1985	1986	1987	1988	1989	1990	1991 1/	1992 2/
					1982=100					
Farm output	84	101	105	102	104	97	108	112	112	—
All livestock products	102	100	103	103	106	108	110	112	114	—
Meat animals	102	100	99	99	100	102	102	102	105	—
Dairy products	103	99	105	106	105	107	106	109	109	—
Poultry & eggs	100	103	108	112	122	125	130	138	144	—
All crops	71	100	106	99	101	88	105	112	109	—
Feed crops	31	108	125	119	101	63	116	113	113	—
Food grains	84	93	87	77	77	70	77	99	76	—
Oil crops	75	87	96	88	88	71	87	87	92	—
Cotton and cotton seed	68	111	113	83	127	133	103	138	140	—
Tobacco	75	89	77	58	61	69	71	83	85	—
Vegetables and melons	97	103	109	110	117	111	114	123	122	—
Fruits and nuts	100	100	99	95	109	117	111	113	105	—
Other crops	101	110	111	120	132	137	141	141	148	—
Farm input	96	98	95	92	89	87	87	89	89	—
Farm Labor	95	97	89	87	84	86	82	87	88	—
Farm real estate	92	97	97	94	91	90	91	90	89	—
Durable equipment	95	91	88	80	74	70	67	65	63	—
Energy	97	100	90	84	93	93	91	90	89	—
Agricultural chemicals	93	106	101	111	100	90	93	90	94	—
Feed, seed, and livestock purchases	99	101	106	105	101	98	99	105	104	—
Other purchased inputs	107	108	99	89	92	90	96	97	100	—
Farm output per unit of input	88	103	111	111	117	112	124	127	126	—
Output per unit of labor										
Farm 3/	88	104	118	117	123	114	131	129	127	—
Nonfarm 4/	102	105	106	108	109	110	109	109	110	114

1/ New data and methods were used to calculate the 1991 indexes and to revise them back to 1948. 2/ Preliminary. 3/ Economic Research Service. 4/ Bureau of Labor Statistics. — = not available.

Information contact: Rachel Evans (202) 219–0433

Food Supply & Use

Table 39.—Per Capita Consumption of Major Food Commodities[1/]

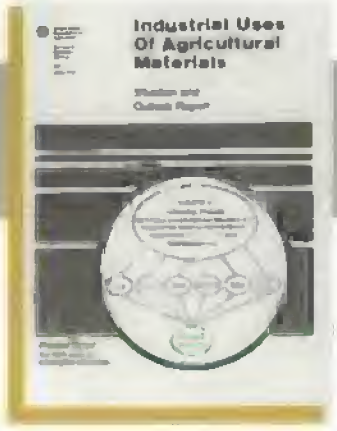
Commodity	1985	1986	1987	1988	1989	1990	1991	1992	1993 P
	Pounds								
Red meats 2/3/4/	124.9	122.2	117.4	119.5	115.9	112.3	111.9	114.1	112.2
Beef	74.6	74.4	69.6	68.6	65.4	64.0	63.1	62.8	61.7
Veal	1.5	1.6	1.3	1.1	1.0	0.9	0.8	0.8	0.7
Lamb & mutton	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pork	47.7	45.2	45.6	48.8	48.4	46.4	46.9	49.5	48.7
Poultry 2/3/4/	45.2	47.1	50.7	51.7	53.6	56.0	58.0	60.0	61.2
Chicken	36.1	37.0	39.1	39.3	40.5	42.2	43.9	45.9	47.2
Turkey	9.1	10.2	11.6	12.4	13.1	13.8	14.1	14.2	14.0
Fish & shellfish 3/	15.0	15.4	16.1	15.1	15.6	15.0	14.8	14.7	—
Eggs 4/	32.9	32.6	32.7	31.6	30.4	30.1	30.0	30.2	—
Dairy products									
Cheese (excluding cottage) 2/5/	22.5	23.1	24.1	23.7	23.8	24.6	25.0	26.0	—
American	12.2	12.1	12.4	11.5	11.0	11.1	11.1	11.3	—
Italian	6.5	7.0	7.6	8.1	8.5	9.0	9.4	10.0	—
Other cheese 6/	3.9	4.0	4.1	4.1	4.3	4.6	4.6	4.7	—
Cottage cheese	4.1	4.1	3.9	3.9	3.6	3.4	3.3	3.1	—
Beverage milks 2/	229.7	228.6	226.5	222.4	224.3	221.7	221.2	216.5	—
Fluid whole milk 7/	123.4	116.5	111.9	105.7	97.6	90.4	87.4	84.1	—
Fluid lowfat milk 8/	93.7	98.6	100.6	100.5	106.6	108.4	109.9	109.4	—
Fluid skim milk	12.6	13.5	14.0	16.1	20.2	22.9	23.9	25.0	—
Fluid cream products 9/	6.7	7.0	7.1	7.1	7.3	7.1	7.3	7.5	—
Yogurt (excluding frozen)	4.1	4.4	4.4	4.7	4.3	4.1	4.2	4.3	—
Ice cream	16.1	18.4	18.4	17.3	16.1	15.8	16.3	16.4	—
Ice milk	6.9	7.2	7.4	6.0	8.4	7.7	7.4	7.1	—
Frozen yogurt	—	—	—	—	2.0	2.8	3.5	3.1	—
All dairy products, milk equivalent, milkfat basis 10/	593.8	591.5	601.3	582.9	565.2	569.7	565.2	564.6	—
Fats & oils — Total fat content	64.3	64.4	62.9	63.0	60.4	62.2	63.8	65.6	—
Butter & margarine (product weight)	15.7	16.0	15.2	14.8	14.6	15.3	14.8	15.2	—
Shortening	22.9	22.1	21.4	21.5	21.5	22.2	22.4	22.4	—
Lard & edible tallow (direct use)	3.7	3.5	2.7	2.6	2.1	2.5	3.1	4.1	—
Salad & cooking oils	23.5	24.2	25.4	25.8	24.0	24.2	25.2	25.8	—
Fresh fruits 11/	110.6	117.4	121.6	120.7	123.1	116.8	113.2	122.7	—
Canned fruit 12/	12.7	12.9	13.6	13.3	13.3	13.5	12.3	14.4	—
Dried fruit	2.9	2.7	3.1	3.3	3.2	3.6	3.1	3.2	—
Frozen fruit	3.3	3.6	3.9	3.8	4.6	4.3	3.9	4.7	—
Selected fruit juices 13/	66.9	65.0	70.0	64.7	67.0	59.6	63.8	59.6	—
Vegetables 11/									
Fresh	103.0	100.5	107.0	111.5	115.5	113.3	110.4	109.3	—
Canning	95.1	95.6	95.1	91.2	98.7	101.7	103.4	106.3	—
Freezing	19.6	18.5	19.3	21.1	20.7	20.5	21.6	20.8	—
Potatoes, all 11/	122.4	126.0	125.9	122.5	127.1	127.8	130.6	133.5	—
Sweetpotatoes 11/	5.4	4.4	4.4	4.1	4.1	4.6	4.0	4.3	—
Peanuts (shelled)	6.3	6.4	6.4	6.9	7.0	6.0	6.5	6.2	—
Tree nuts (shelled)	2.3	2.2	2.2	2.3	2.4	2.6	2.3	2.4	—
Flour & cereal products 14/	156.1	162.1	170.8	173.7	175.4	183.5	185.4	187.0	—
Wheat flour	124.7	125.7	130.0	130.0	129.6	135.8	136.5	138.3	—
Rice (milled basis)	9.0	11.6	14.0	14.3	15.2	16.2	16.8	16.8	—
Caloric sweeteners 15/	131.3	129.6	133.7	135.1	137.3	140.7	141.7	143.3	—
Coffee (green bean equiv.)	10.5	10.5	10.2	9.8	10.1	10.3	10.5	10.6	—
Cocoa (chocolate liquor equiv.)	3.7	3.8	3.8	3.8	4.0	4.3	4.6	4.6	—

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. 2/ Totals may not add due to rounding. 3/ Boneless, trimmed weight. Chicken series revised to exclude amount of ready-to-cook chicken going to pet food as well as some water leakage that occurs when chicken is cut up before packaging. 4/ Excludes shipments to the U.S. territories. 5/ Whole & part-skim milk cheese. Natural equivalent of cheese & cheese products. 6/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 7/ Plain & flavored. 8/ Plain & flavored & buttermilk. 9/ Heavy cream, light cream, half & half, & sour cream & dip. 10/ Includes condensed & evaporated milk & dry milk products. 11/ Farm weight. 12/ Excludes pineapples & berries. 13/ Single strength equivalent. 14/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 15/ Dry weight equivalent. — = not available. P = preliminary.

Information contact: Judy Jones Putnam (202) 219-0862.

Situation & Outlook Reports

Call our order desk toll free at 1-800-999-6779



Title & issues per year	Stock # Paper	Stock # Electronic	Years 1	Years 2	Years 3
Agricultural Income & Finance (4)	AIS	—	$18	$34	$51
Aquaculture (2)	AQS	—	$17	$32	$48
Cotton and Wool (12)	CWS	—	$31	$60	$90
Feed (2)	FDS	—	$20	$38	$57
Fruit and Tree Nuts (4)	FTS	—	$21	$40	$60
Industrial Uses of Agricultural Materials (2)	IUS	—	$17	$32	$48
International Agriculture and Trade (6)	WRS		$20	$38	$57
Livestock, Dairy, and Poultry					
Monthly (12)	LDP-M	LDP-MBB	$28	$54	$81
Dairy supplements & yearbook (6)	LDP-D	LDP-DBB	$22	$42	$63
Beef/sheep supplements & yearbook (5)	LDP-BS	LDP-BSBB	$22	$42	$63
Poultry supplements & yearbook (5)	LDP-P	LDP-PBB	$22	$42	$63
Hog supplements & yearbook (5)	LDP-H	LDP-HBB	$22	$42	$63
All issues (32)	LDP-A	LDP-ABB	$66	$130	$195
Both paper and electronic—one low price!		**LDP-P&E $99**			
Oil Crops (2)	OCS	—	$20	$38	$57
Outlook for U.S. Ag Exports (4)	AES	—	$17	$32	$48
Rice (3)	RCS	—	$18	$34	$51
Sugar and Sweetener (4)	SSS	—	$22	$42	$63
Tobacco (4)	TBS	—	$19	$36	$54
U.S. Agricultural Trade Update (12)	FAU	—	$20	$38	$57
Vegetables and Specialties (3)	VGS	—	$20	$38	$57
Wheat (4)	WHS	—	$21	$40	$60
World Agricultural Supply and Demand Estimates (12)	WASDE	—	$30	$60	$90

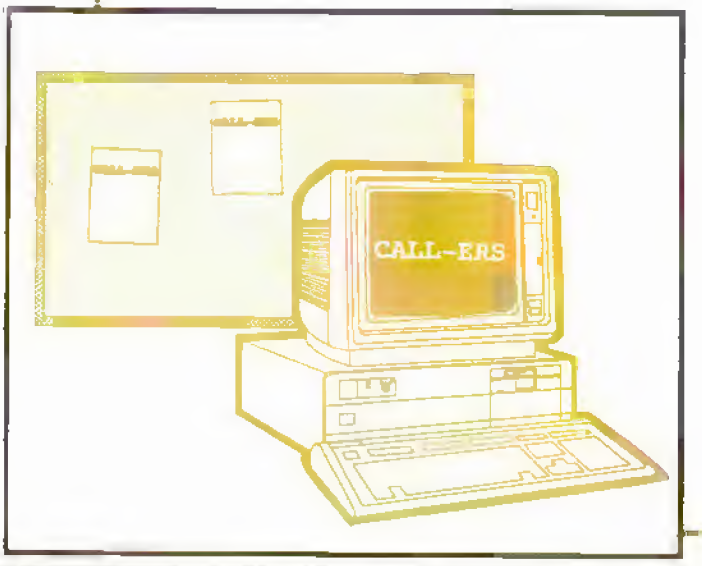
Please add 25% for shipment to foreign addresses (including Canada).

New from USDA's Economic Research Service

CALL-ERS

CALL-ERS is a new electronic bulletin board service available free to users of ERS information and data. Use **CALL-ERS** to:

- Download timely situation and outlook summaries
- Download selected situation and outlook tables as electronic spreadsheets.
- Download samples of electronic data products.
- Stay informed about new reports and data products from ERS.



Shop our on-line catalog for periodicals, reports, videos, and data products.

CALL-ERS supports 1200 and 2400 baud communications (N,8,1) on 1-800-821-6229 and 1-202-219-0377.

Call from your computer today!

United States
Department of Agriculture
1301 New York Avenue, NW
Washington, DC 20005-4789

Official Business
Penalty for Private Use, $300

Moving? To change your address, send this sheet with label intact, showing new address to: EMS Information, Rm 228, 1301 New York Avenue, NW, Washington, DC 20005-4789.

FIRST CLASS
POSTAGE & FEES PAID
USDA
PERMIT NO. G-145

☐ Want to Subscribe? ☐ Time to Renew?

Agricultural Outlook

☐ Yes! I want to Start my subscription.
☐ Yes! I want to **Renew** my subscription.

	1 Year	2 Years	3 Years
Domestic:	☐ $42.00	☐ $82.00	☐ $122.00
Foreign:	☐ $52.50	☐ $102.50	☐ $152.50

Mailing address *(for renewals, attach mailing label here)*

Name

Address

City | State | Zip code

Daytime phone ( )

Use purchase orders, checks drawn on U.S. banks (and in U.S. funds), cashier's checks, or international money orders. Make payable to **ERS-NASS. PLEASE DO NOT SEND CASH.**

Payment method

☐ Check ☐ Money order
☐ Purchase Order ☐ VISA
☐ MasterCard

Amount
$_____

Credit card number

Credit card expiration date | Month | Year

Return this form to: ERS-NASS, 341 Victory Drive, Herndon, VA 22070.

For *fastest* service, call our toll-free order desk 1-800-999-6779 in the U.S. and Canada; other areas please call 703-834-0125. Or FAX this order form to 703-834-0110.

Attention current *Agricultural Outlook* subscribers: The top line of your mailing label may contain renewal information. This expiration reminder appears in one of two formats: APR95 *(expiration date is April 1995)* or 1-AGO-2 *(two issues of your subscription remain).*